ISSN 0586-884X

ACTA UNIVERSITATIS UPSALIENSIS
Studia Oeconomiae Negotiorum
10

STUDIES IN EXPORT PROMOTION

Attempts to Evaluate Export Stimulation Measures for the Swedish Textile and Clothing Industries

by
Hans Christer Olson

UPPSALA 1975

Distributor:
Almqvist & Wiksell International
Stockholm – Sweden

STUDIES IN EXPORT PROMOTION

Attempts to Evaluate Export Stimulation Measures for the Swedish Textile and Clothing Industries

by
Hans Christer Olson

UPPSALA 1975

Besides the essay in this booklet, the following essays are included in this thesis:

1. Exportaktivitetsbidrag och exportbeteende - En utvärdering av exportaktivitetsbidragens ekonomiska betydelse för TEKO-företags genomförande av exportprojekt (Export Activity Subsidies and Export Behavior - An Evaluation of the Economic Role of Export Activity Subsidies for the Realization of Export Projects among Textile and Clothing Firms). Research Report 1975:3, Department of Business Administration, University of Uppsala.

2. Exportstimulans och exportbeteende - Betydelsen av variationer i exporterfarenhet för exportstimulerande åtgärders verkan (Export Stimulation and Export Behavior - Varying degree of Export Experience and Its Significance for Export Stimulation Measures). Research Report 1975:4, Department of Business Administration, University of Uppsala.

3. Kollektiva uppackningar som exportstimulerande åtgärd - En utvärdering av kollektiva uppackningars betydelse för TEKO-företags exportbeteende (Collective Exhibitions as An Export Stimulation Measure - An Evaluation of Collective Exhibitions and Their Influence upon the Export Behavior of Textile and Clothing Firms). Research Report 1975:5, Department of Business Administration, University of Uppsala.

4. Informationsinsamling för export - En utvärdering av kollektiva marknadsundersökningars betydelse för TEKO-företags exportbeteende (Information Collection for Export - An Evaluation of Collective Market Investigations and Their Influence upon the Export Behavior of Textile and Clothing Firms). Research Report 1975:6, Department of Business Administration, University of Uppsala.

UNIV.
LEIDEN
BIBL.

Doctoral thesis at Uppsala University 1975
ISSN 0586-884X
ISBN 91-554-0284-4
© Hans Christer Olson
Printed in Sweden by
Uppsala Offset Center AB 1975

CONTENT

PREFACE 5

1. INTRODUCTION AND IDENTIFICATION OF THE PROBLEM-AREA 7

1.1. Motives behind the Studies 7
1.2. The Aim of This Paper 8
1.3. Background 8
1.4. A Government Support Program for the Textile and Clothing Industries 9
1.5. The Export Stimulation Program 12
1.5.1. Export Activity Subsidies 12
1.5.2. Collective Export Activities 12
1.5.3. Other Measures 13

2. PROGRAM EVALUATION 13

2.1. The Concepts of Control and Feedback 13
2.2. Evaluation Research Defined 15
2.3. Evaluation and Feedback Control Compared 16
2.4. Evaluation Research and Different Kinds of Research Compared 17
2.5. Different Organizational Systems Involved in Program Evaluation 19
2.5.1. Organizational Resistance to Evaluation 20
2.6. Different Kinds of Evaluation Research 22
2.6.1. According to the Target Group of the Evaluated Program 22
2.6.2. According to Purpose of the Evaluation 23
2.6.3. According to for Whom the Evaluation Is Made 23
2.6.4. The Roles of Evaluation Research 25
2.7. Evaluation and Values 26

3. PROBLEM-FORMULATION FOR EVALUATION 26

3.1. Identification of Intervening Variables 26
3.2. The Effects of Subsidies in International Trade Theory 28
3.2.1. Subsidies and the ESP - Similarities and Dissimilarities 29
3.2.2. Different Kinds of Decisions 29
3.3. An Alternative Model 30
3.3.1. The Export Activities of the Firm 32
3.3.2. Export and Domestic Sales Activities Compared 32
3.3.3. The Export Behavior of the Firm 33
3.3.4. Effects of the ESP upon the Export Behavior of the Firm 34
3.3.5. The Relation between the Firm's Present Export Behavior and Future Export Sales 35
3.4. The Aim of the Evaluative Studies Circumscribed 37

4. DIFFERENT EVALUATIVE DESIGNS 38

4.1. Controlled Experimentation 38
4.2. Comparison to Other Population Segments not Served by the Program 39
4.3. Time-Trend Projection of Pre-Program vs. Actual Post-Program Data 42
4.4. Before vs. after Program Comparison 42
4.5. Comparisons of Planned vs. Actual Performance 44

4.6. Measurement Problems 45
4.6.1. Before vs. after Program Comparison 45
4.6.2. Comparisons of Planned vs. Actual Performance 48
4.6.3. Concluding Remarks 49

5. SUMMARY OF THE RESULTS FROM THE EVALUATIVE STUDIES 49

5.1. The Economic Role of the EAS 49
5.2. The Role of EAS for Firms' Export Behavior 51
5.3. Collective Market Investigations 55
5.4. Collective Exhibitions 57
5.5. Conclusions and Suggestions 59

NOTES 61

REFERENCES 69

PREFACE

When a support program for the Swedish textile and clothing industries was set up in the early 1970's, an unusual feature of the program was the assignment, by the Government, of several researchers to perform an evaluation concerning important parts of the total program. Professor Sune Carlson, who immediately realized the importance of such a task, convinced me of its relevance. Educated at the Department of Business Administration at the University of Uppsala, where courses and research work have always to a great extent been concentrated on international business problems, I chose the export stimulative parts of the support program as the object of my evaluative research.

The project has been financially supported by the Swedish Ministry of Industry. It would have been impossible to carry out the evaluation without the close co-operation of the Swedish Board of Commerce, which has been responsible for the execution of the Export Stimulation Program. At the Board, Olof Schönander and Leif Persson have given valuable support to, and comment on, my work. I also wish to express my gratitude to the many managers of textile and clothing firms who have willingly supplied me with information for the empirical studies.

In the course of the research work, I have had the benefit of encouragement and valuable advice from my colleagues at the Center for International Business Studies at the Department of Business Administration, University of Uppsala. I am greatly indebted to Professor Sune Carlson, who has been my adviser throughout the entire project. During parts of the project, I have also received valuable remarks from Professor Harry Nyström and Professor Dick Ramström. Further, I wish to express my cordial gratitude to my colleagues in the seminar group, especially Lars Engwall, Håkan Håkansson, Jan Johanson, Ivan Snehota, Jan-Erik Vahlne, Finn Wiedersheim-Paul, and Björn Wootz. I am also very grateful for the many valuable comments received during the completion of the project from Ingemund Hägg and David L. Baker. I am further indebted to David L. Baker for his review of the English text in the final draft.

My warmest thanks to Kristina Wootz for her excellent editorial contributions and for typing all manuscripts, including the smooth copy for this book.

Uppsala, April 1975

Hans Christer Olson

POSTSCRIPT

The Export Stimulation Program which is the object of this study was to have been terminated on June 30, 1975 according to a Government Proposition (Kungl. Maj:t Prop. 1975:1, bilaga 12). In this Proposition, the decision not to continue with the program in its present shape was justified by explicit reference to the results of the present evaluation. Dissatisfied with the Government's proposal, certain members of the Swedish Parliament, belonging to the three most dominating parties in opposition, made their own proposal (Motion 1975: 917), suggesting that the program should be extended for a period of three years. When this manuscript was submitted for composing at the end of March, 1975, I knew about this "motion", although I did not mention it in the description. It is common for private members of the Parliament to make proposals, but those proposals most often fail. However, that was not the case this time. In the committee, "motion" no. 917 received support from all representatives of the three dominating opposition parties (Näringsutskottets betänkande no. 9). In the final debate on the floor, on April 2, 1975, there was a lengthy discussion over the matter. The preliminary results of the present evaluation were often referred to by representatives of the party in Government as an important piece of evidence for judgment, and by members of the opposition parties as a theoretical construct without practical significance. Finally, the votes were casted : 152 for the "motion" and 152 against. In view of the present balance of power in the Swedish Parliament between the party in Government and the opposition, a lottery had to be arranged, and the proposal of the "motion" came off victorious (Cf. Snabbprotokoll från riksdagsdebatterna, no. 48, 1975).

This is really a good case illustrating the influence of evaluation research.

Uppsala, April 8, 1975
Hans Christer Olson

1. INTRODUCTION AND IDENTIFICATION OF THE PROBLEM AREA

1.1. MOTIVES BEHIND THE STUDIES

In 1970, the Swedish Riksdag[1] decided, in accordance with a proposition presented by the Government, that measures intended to stimulate export and education of Swedish textile and clothing firms should be set up for a probationary period of four years, beginning with fiscal year 1970/71. These were the first parts of what will be referred to as the total support program for Swedish textile and clothing industries, which have also included measures for structural change decided in 1971 and 1972. The whole program was regarded by the Government as an experiment, and it was decided that outside researchers should be assigned the task of evaluating the entire program. In 1971, the Ministry of Industry appointed two researchers at the Department of Business Administration, University of Uppsala, to carry out an evaluation of some important parts of the total support program.

In late 1971, I began the work of evaluating what will be referred to as the Export Stimulation Program (ESP), a subprogram of the total support program. This evaluation has progressed through different stages and will be terminated in Spring, 1975.

During the work, my interest in and motives for the studies have successively become clearer and more developed. I have come to consider three motives as the principal purposes of my work. They are:

1. To evaluate the effects of the Export Stimulation Program in relation to its objectives.
2. To develop a widened knowledge and experience of evaluation research applied to government programs for business firms and other organizations. This is considered an important task, as such programs are becoming increasingly frequent in Sweden.
3. To widen the knowledge about the process of small and medium-sized firms entering or developing export activities. A more comprehensive knowledge in this field could be utilized by government agencies and other organizations which have as their task to assist and facilitate the export operations of these firms.

Each of these three main motives belongs to its own problem area, although there is also a joint area which they have in common, as illustrated in figure 1 below. This background creates potential conflict for the research work unless a prioritization is made. Thus, I have decided to place priority on the motives in the same order as they were presented above.

There have been several reasons behind my choice to consider the evaluation of the actual ESP as the main aim of the studies. Since this problem has been of most current interest, this priority made the studies easier to carry through. My personal interests, however, are also focused on problems connected with the second and third motives; I hope to contribute indirectly and cast some further light on them through efforts to solve the evaluative problem.

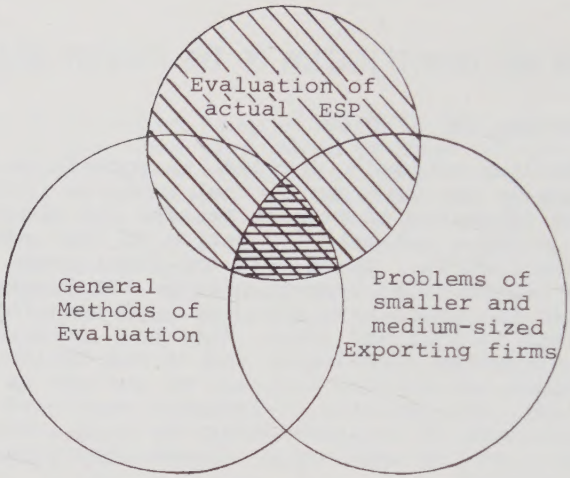

FIGURE 1. Relation between different purposes behind the studies.

The circles illustrate three problem areas which are to be considered in the studies. In giving priority to the area marked with lines, the other two areas will also be treated in terms of the intersection between the circles.

1.2. THE AIM OF THIS PAPER

Reports on the evaluative studies have been made throughout the gradual development of the ESP.[2] At the end of this work, I have found it important to sum up the frame of reference employed and to collect and present the experiences gathered from this application of evaluation research to a program intended for business firms; that is the aim of the present paper. Thus, it is primarily intended to fulfil the second motive behind this project, mentioned above.

Taking the considerable experience already collected from evaluation of social and educational programs as a point of departure, I intend to add complementary views of the evaluation of public programs for business firms and organizations. These views seem to me to be in many respects new and unique. Published results from evaluations of this kind are rare. Hopefully, this paper can serve two purposes: (1) introducing the present evaluation study for those who may be interested; and, (2) providing a general orientation about the problems connected with evaluating public programs for business firms to those who might benefit from that.

1.3. BACKGROUND

During the late fifties and sixties the structure of the Swedish textile and clothing industries has drastically changed. Many firms were closed down and mergers were also very common. Those firms that are still operating today have faced considerable changes in their environment during the last fifteen years.

Perhaps the most important change that took place was caused by import competition. After the Second World War the industry had a dominant position on the domestic market. In the early sixties, still

heavily dependant upon domestic sales, the industry met a sudden and strong competition from low-wage countries like Yugoslavia, Korea and Hongkong. The Swedish clothing industry, located in a country with Europe's highest wages and producing highly labor-intensive goods, was not able to combat the attack from low-wage countries. The steady loss of market share also created serious problems for the clothing industry's suppliers, the Swedish textile industry. The challenge from low-price import goods induced many firms to set up factories in low-wage countries like Finland and Portugal.

Those textile and clothing firms selling consumer products were also affected by structural changes in the Swedish distribution and market systems. A sharply increasing share of sales was distributed through chain-stores and department stores. This concentration of retail business was very unfavorable for many small and medium-sized firms, which for different reasons did not fit as suppliers to these increasingly dominant channels; the result was further hastening of the process of structural change.

Due to the fact that the Swedish textile and clothing industries were geographically concentrated in certain districts in the southwestern parts of the country, the structural change caused serious disturbances in the local labor market. The employees in the industries, to a great extent women and older workers, were not very mobile. When they were dismissed from their jobs due to shut-downs or reductions in production they often remained unemployed for long periods.

During the sixties, a steadily declining part of domestic consumption of textiles and clothing goods was produced within the country while the imports more than doubled. At the end of the decade, the Swedish industries had definitely lost the low-price segments in the market to foreign suppliers, while at the same time they were successfully competing in segments where quality, technical innovations, fashion, and design are more important for the consumer's choice than is price. In these segments, the Swedish industries were also successfully building up export sales primarily to the other Scandinavian countries. During the period 1966-1971 export value more than doubled. In fact export figures were rising relatively faster than imports, although from a lower initial level. The main trends are illustrated in tables 1 and 2 below.

1.4. A GOVERNMENT SUPPORT PROGRAM FOR THE TEXTILE AND CLOTHING INDUSTRIES

In the situation briefly discussed above, the Swedish Government in 1968 set up an official committee and gave it the task of investigating the situation for these branches of industry.[3] After a preliminary report presented by the committee and suggesting some stimulative measures to be undertaken,[4] the Government formulated a proposition[5] to the Riksdag in which measures intended to stimulate export and education were included.[6] The proposition was passed by the Riksdag, and the measures were approved for a period of four years, beginning fiscal year 1970/71.

In the final report of the committee, "TEKO-utredningen", several suggestions for further stimulative measures were included.[7] On the basis of these suggestions, the Government in 1971 and 1972 made propositions which were passed by the Riksdag concerning consultant ser-

TABLE 1. Trends of production, import, export and total supply in the Swedish textile and clothing goods market 1960-1968.

Source: SOU 1970:60, pp 138-139. The figures are computed from Swedish Official Statistics (SOS Industri, Utrikeshandel).

(Mill. Swedish Crowns)

	Production			Import			Export		
	1960	1968	Change %	1960	1968	Change %	1960	1968	Change %
Textiles (incl. knitwear)	1 337	1 825	36.4	671	1 301	94.0	116	393	240.5
Clothing goods	1 229	1 577	28.4	136	485	256.4	46	188	312.3

	Export share of production		Total supply			Production share of total supply		Import share of total supply	
	1960 %	1968 %	1960	1968	Change %	1960 %	1968 %	1960 %	1968 %
Textiles (incl. knitwear)	8.6	21.5	1 892	2 733	+44.4	70.6	66.7	35.4	47.6
Clothing goods	3.7	12.0	1 319	1 874	+42.1	93.2	84.2	10.3	25.9

TABLE 2. Trends of total employment in the Swedish textile and clothing industries 1950-1968.

Source: TEKO-utredningen, SOU 1970:59, p 90. The figures are computed from Swedish Official Statistics (SOS, Industri).

	Total amount of employees			
December 31	1950	1960	1967	1968
Textiles (incl. knitwear)	66 470	50 849	39 156	37 205
Clothing goods	47 192	43 454	36 036	32 975

vices and structural guarantees intended to stimulate structural change.[8]

The stimulative measures included in the three propositions mentioned above will together be referred to as the total support program for the Swedish textile and clothing industries.

No clear objectives for the total support program are explicitly formulated in the Government propositions. On the basis of the directives given by the Secretary of Industry when he initiated the work of "TEKO-utredningen",[9] and a reference to them made in one of the Government propositions,[10] I have interpreted three main objectives behind the total support program, expressed in terms of desired future states for the textile and clothing industries:

1. Strengthened competitive power through individual effectiveness;
2. Strengthened competitive power through structural change;
3. Expanded export volume.

However, the relations between the objectives of the total support program and its different subparts are not further discussed in the propositions.

The three subparts of the total support program will in this study be regarded as external environmental factors which, together with other factors in the external and internal environment of the firms, constitute the conditions under which they operate. The relations between the support program and its objectives are illustrated in figure 2.

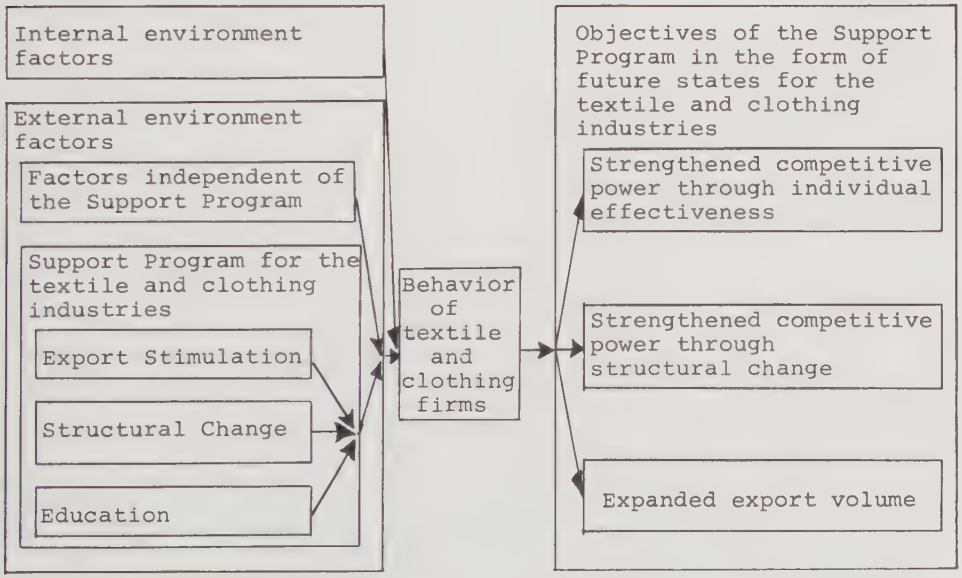
Internal environment factors
External environment factors
Factors independent of the Support Program
Support Program for the textile and clothing industries
Export Stimulation
Structural Change
Education
Behavior of textile and clothing firms
Objectives of the Support Program in the form of future states for the textile and clothing industries
Strengthened competitive power through individual effectiveness
Strengthened competitive power through structural change
Expanded export volume

FIGURE 2. Relations between factors in the internal and external environment of textile and clothing firms and the objectives of the total support program.

As the figure above illustrates, observed changes in the state of the textile and clothing industries cannot exclusively be attributed to the support program but also to other environmental factors. Examples of such factors which may influence in a direction of change are stronger import competition, changing distribution and market systems, and considerably rising production costs. Consequently, it is not sufficient for an evaluation to determine the extent to which the objectives have been reached; it is also necessary to trace the causal relationship between program activities and the objectives.

1.5. THE EXPORT STIMULATION PROGRAM

The export stimulative measures included in the Government proposition of 1970[11] will here be referred to as the Export Stimulation Program (ESP). It is the part of the total support program with which my studies have been concerned. When implemented in late 1970, the ESP was approved by the Riksdag for a probationary period of four years. It has been prolonged once, for fiscal year 1974/75, and will be terminated on June 30, 1975. Compared with the original program design, certain modifications have been made. After one year, the budget was raised by 50% to a total of 6.5 million Swedish Crowns per year. After the first year, two kinds of activities developed as the dominant parts of the ESP, while the role of some other activities appeared insignificant. The two main parts of the ESP became what will be referred to as Export Activity Subsidies (EAS) and Collective Export Activities (CEA).

1.5.1. EXPORT ACTIVITY SUBSIDIES

The EAS's may cover up to 50% of the costs for activities aimed at expanding sales in the firms' existing export markets or opening up sales in new ones. According to the directives formulated by the Government in the original proposition,[12] only firms and projects with good prospects for contributing to a significant and permanent export expansion should be considered for subsidies.[13] Among the measures eligible for financial support through the EAS are market investigations, market planning, product development, and to some extent direct sales promotion activities. The formation of a market organization, for example through contracting a sales agent or creation of a sales subsidiary, does not qualify for subsidies. The administration of the EAS, as well as of the entire ESP, has been executed by the Swedish Board of Commerce.[14] The EAS's were distributed by the Board after an application procedure wherein the firms are required to present a plan for their total export operations and for the export projects for which they request subsidies. After the decisions have been made by the Board of Commerce about the distribution of the EAS, the selected firms have not received any money until they have been able to verify that the activities specified in their applications have been carried out at the expected cost. Individual firms have received yearly subsidies of between 5 000-200 000 Swedish Crowns and the total amount of the support given to the firms through EAS has been about 50% of the yearly budget of the ESP, or about 3 million Swedish Crowns.

1.5.2. COLLECTIVE EXPORT ACTIVITIES

There have been mainly two different kinds of Collective Export Activities (CEA's), namely collective market investigation projects,

and collective appearances at fairs and specially arranged exhibitions.[15] The CEA's have been open to almost every firm that has been willing to participate and to pay a nominal participation fee.[16] The collected fees have covered between 10-50% of the total costs for CEA's and the remaining costs have been financed through the ESP budget. CEA's in total have taken up to 50% of the ESP budget.

1.5.3. OTHER MEASURES

In the original design of the ESP, export credit guarantees were also included as one part of the support which could be given to individual firms. However these guarantees have actually attracted only a very limited number of firms and have had an almost insignificant importance in the program.[17] A conclusion which may be drawn from this experience is that the firms already seem to have had enough credit facilities, and that they thus did not need the guarantees offered by the Government to obtain desired credit.

Two export consultants, whose services according to the program design should be available to individual firms, have to a large extent been used for the planning of collective activities.

During the fifth, extended, year of the program, the firms have also been offered an opportunity to employ individually the services of Swedish Trade Commissioners abroad at a considerably reduced cost.[18]

2. PROGRAM EVALUATION

2.1. THE CONCEPTS OF CONTROL AND FEEDBACK

Evaluation of past experiences, for example in the form of comparison and analysis between plans and outcomes, plays an important role in the concept of control in management literature. The object of these studies usually is a single organization which is looked upon as a system characterized by its components or elements and the interrelations between them.[19] The concept of control in such a system can be defined in terms of its extent. Distinction is sometimes made between "control in the large", and "control in the small".[20] Among the definitions available for "control in the large", I choose one which has been formulated by Ramström.

> "... the influence exercised by one component on the decision-making behaviour of another component ... which is planned and initiated by the management of the firm in order to achieve a higher degree of goal attainment, will in the following be referred to as the (management) control process of the firm."
>
> Ramström (1967), p 54

However, the aspect of the control concept which is the most interesting for me is more narrowly defined; that is, "control in the small". It can be defined as a comparison between a plan and its execution.[21] In such a control process, certain components or elements and interrelations between them are required which together constitute a control system. According to Johnson, four different kinds of elements are required in every control system. They are:

1. A controlled characteristic or condition.
2. A sensory device or method for measuring the characteristic or condition.
3. A control unit or equipment which will compare measured data with planned performance and direct a correcting mechanism in response to need.
4. An activating unit or mechanism which is capable of bringing about a change in the operating system.[22]

The four elements necessary in a control system are illustrated in figure 3 below.

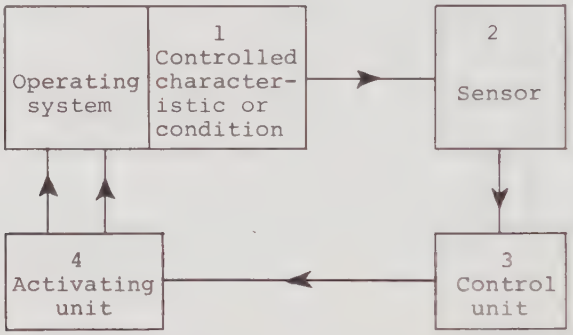

FIGURE 3. The four elements of a control system.
Source: Johnson et al. (1963), pp 58-59.

Control in the sense of comparison between plan and outcome is often referred to as review or feedback control. In figure 4 below, a review or feedback control system is illustrated as a special case of a general control system. In this case input is the activating element, the processor is the operating system and its output represents the accomplishments of the system. The measurement channel is the sensor element and the comparator and control channel constitute the control-group element. Finally, the objective, or standard, is the controlled item.

In the review of organizational performance, all the elements in the control system often are parts of the overall organizational system which they are to review, wholly or partially. This is the case in, for example, a firm where some units are assigned the task of reviewing the budget and its outcome. Sometimes this case is referred to as a closed-sequence control system. The opposite, an open-sequence control system, occurs when some or all elements in the control system fall outside the organizational system they are to review.[23] As an example of the latter case one could mention external auditing carried out by auditors outside an organization or business firm. In business firms, review or feedback control is applied to quality control, inventory control, cost control, budgetary control, etc.

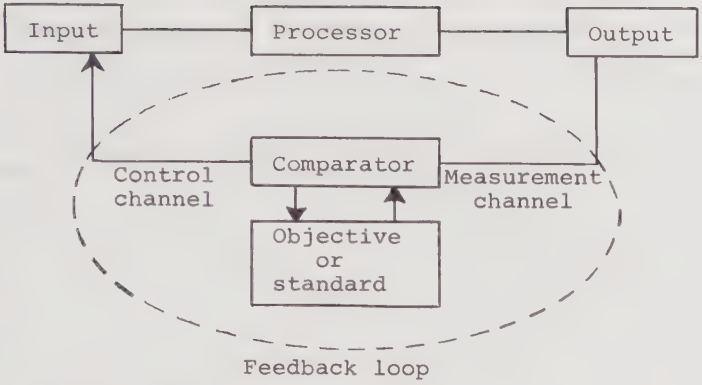

FIGURE 4. Feedback loop in a system.
Source: Johnson et al. (1963), p 62.

2.2. EVALUATION RESEARCH DEFINED

The term evaluation, as it is most commonly used, refers to review of the outcome of public programs. This area has attracted a sharply increasing interest during the last decade. Today there is a vast literature available about the subject. There seems nevertheless to exist a relatively strong consensus about definitions used in this area and interpretations of its purpose.[24] A distinction is generally made between Evaluation and Evaluation Research. The first of these terms usually refers to more intuitive overviews, where judgments about the effectiveness of public programs are made regardless of the basis for such judgments.[25] According to another view, Evaluation is primarily concerned with review of inputs, rather than outputs, of public programs. Evaluation in this sense is represented by such measures of efficiency as, for example, ratios of schoolchildren per teacher.[26] However, the interest in this paper is concentrated to the application of Evaluation Research. The similarity between this concept and the concept of review or feedback control[27] is illustrated by Suchman, who says:

> "The key conceptual elements in a definition of evaluation from a methodological point of view are (1) a planned program of deliberate intervention, not just any natural or 'accidental' event; (2) an objective or goal which is considered desirable or has some positive value, not simply whatever change occurs; and (3) a method for determining the degree to which the planned program achieves the desired objective."
>
> Suchman (1969), p 15

The role of evaluation research, similarly expressed by many authors, may be represented by Wholey et al., who have formulated the issue in a clear and consistent way:

> "Evaluation (1) assesses the effectiveness of an on-going program in achieving its objectives, (2) relies on the principles of research design to distinguish a program's effects from those of other forces working in a situation, and (3)

> aims at program improvement through a modification of current operations."
>
> Wholey et al. (1970), p 23

In this definition, "program" refers to an activity or group of activities undertaken by a government to provide a service to the public. Evaluation should be concerned with questions related to program effectiveness rather than program efficiency; that is, it should focus on output rather than input. The aim of evaluation is primarily retrospective, focusing on actual past performance of existing and completed programs. The process of developing alternatives to existing programs or estimating future possible effects of such alternatives is not usually considered a task for evaluative research.[28] In practice, however, it is seldom easy to conceptually separate the development of alternatives to existing programs from the task of program improvement, which is considered a legitimate aim of evaluation research.

> "However, an evaluation study should do more than 'pass' or 'fail' a program (an administrative goal); it should attempt to find out why a program was or was not effective (a research goal)."
>
> Suchman (1969), p 15

Thus, evaluation research has several functions. Brooks has identified the following:

> "1. To inform the funding agent ... as to the value being received for dollars spent (the accounting function).
>
> 2. To refine and improve the program being evaluated, through a continuous feedback of its results to the planning process ... (the feedback function).
>
> 3. To make available to other interested communities, whether involved in ... /similar/ ... programs or not, the results of the program being evaluated (the dissemination function).
>
> 4. To clarify, validate, disprove, modify or otherwise affect the body of theory from which the hypotheses underlying the program were derived (the theory-building function)."
>
> Brooks (1965), pp 34-35

These views expressed by Brooks correspond closely to the motives behind my studies.[29]

2.3. EVALUATION AND FEEDBACK CONTROL COMPARED

In the definitions mentioned above, evaluation can be interpreted as a special kind of feedback control suitable for control of public programs. This comparison is further illustrated in figure 5 below, which is a revised version of the feedback control system illustrated in figure 4 above. The agency administering a public program could be compared to the processor in the feedback model, and the results obtained by the program could be compared to the output. The evaluator - corresponding to the comparator - employs a measurement channel to measure the degree of goal fulfilment against the objectives of the program. The results of the evaluation are utilized through a control channel to improve the program design, that is the input.

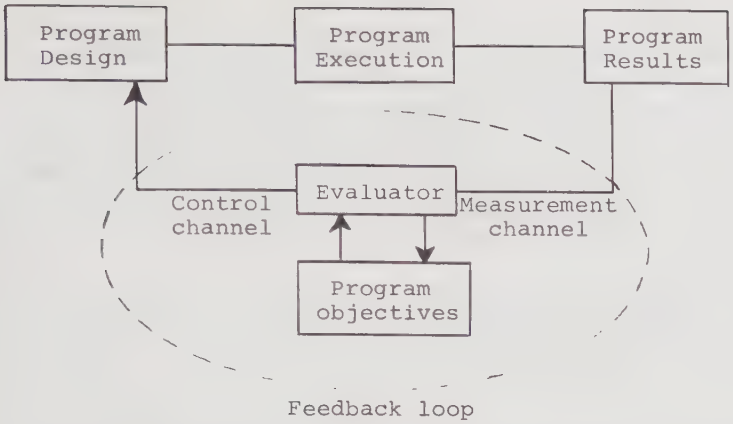

FIGURE 5. Program Evaluation as a Feedback Control System.

2.4. EVALUATION RESEARCH AND DIFFERENT KINDS OF RESEARCH COMPARED

There is a general consensus that whatever differences there are between basic research and evaluative research reside primarily in the social and political context of the research process rather than in the research principles used. Suchman says:

> "The significant differences between basic or non-evaluative research and applied or evaluative research is one of purpose and not of method. Both types of studies attempt to utilize research designs for data collection and analysis based upon the logic of the scientific method. The evaluative study applies this model to problems which have administrative consequences, while non-evaluative research is more likely to be concerned with theoretical significance. But the validity of both types of studies rests equally upon the degree to which they satisfy the principles of scientific methodology."
>
> Suchman (1969), p 16

This view is further elaborated by Cherns, who classifies research into four categories:

> "1. Pure basic research is research arising out of perceived needs of the discipline and is, generally speaking, oriented towards resolving or illuminating or examplifying a theoretical problem.
>
> 2. Basic objective research is oriented towards a problem which arises in some field of application of the discipline, but is not aimed at prescribing a solution to a practical problem.
>
> 3. Operational research is aimed at tackling an on-going problem within some organizational framework but does not include or involve experimental action. This kind of research is distinguished by its strategy and methods. Broadly speaking these are:
>
> (a) Observation of the 'mission' of the organization.
> (b) Identification of its goals.
> (c) Establishment of criteria of goal attainment.
> (d) Devising measures for assessing performance against these criteria.

(e) Carrying out these measurements and comparing them with the goals.
(f) Completing the feedback loop by reporting on the discrepancy between goal and achievement.

4. Action research may involve as part of its strategy a piece of operational research, but is distinguished from an ordinary piece of operational research by the addition to the strategy of the introduction and observations of planned change."
Cherns (1969), pp 210-211

Cherns' definition of operational research is similar to the definitions of evaluation research represented above. Some further comments should be made concerning the differences and similarities between basic and evaluative research.

The most fundamental difference in my opinion is that whereas basic research puts the emphasis on the production of knowledge and leaves its use to the natural process of dissemination and application, evaluation starts out with use in mind.[30] In my situation this has had the consequence that I placed priority on the motive of evaluating a certain export stimulation program, but hoped as well to gain indirectly a widened knowledge about basic facts of the firm's early internationalization process. Had I initiated basic research in the latter area, the primary aim and problem formulation would probably have been much wider in scope, although the results might have served as some sort of guide for judgments about the particular export stimulation program. Which emphasis should be chosen depends in the end upon the individual researcher and the situation. If there is anything to evaluate in those fields of research which interest him, an evaluative approach is worth his consideration as an alternative to a more traditional approach.

Another important factor which distinguishes evaluation research from some forms of basic research is the basis and implicit requirement to weigh "what is" against "what should be". Thus evaluation always starts with some value premises; it is, by nature, normative.[31]

One reason that basic research in some cases has a better reputation than has evaluative research is that the results of the former are usually published while evaluative reports often go unpublished. Since evaluation research is program-oriented rather than problem-oriented, both administrators and evaluators may believe that the results have only a limited interest. Additionally, administrators may be unwilling to support a publication of results which are not favorable to them. The evaluation research work may also often be carried out under a time constraint that does not allow for a time-consuming publication. Yet if progress is to be made - both in acquiring knowledge about evaluation research itself, and in learning about the effects of certain kinds of programs - an information base containing published results must be built up.

But what remains are all the similarities between basic and evaluative research. In both cases the researcher attempts to describe and understand relations between variables and to trace causal sequences. In both cases the whole process of data collection, analysis, and drawing conclusions are in principle the same. It is difficult to understand why evaluation research is sometimes looked upon as a lower order of research, "methodological empiricism"[32] - that evaluators are regarded as the "drone of the research fraternity,

technicians drudging away on dull issues".[33] In this context the words of an experienced evaluator seems more appropriate:

> "... evaluation calls for a higher level of skills than research that is under the researcher's complete control. It is relatively easy to run experiments in an insulated laboratory with captive subjects. But to make research work when it is coping with the complexities of real people in real programs run by real organizations takes skill - and some guts."
>
> Weiss (1972a), p 9

A certain kind of research with an evaluative emphasis is derived from the field of action research. However, the difference between evaluation research, as I have used the term, and evaluative action research, is probably larger than the difference between evaluative and basic research.

In an action research setting the researcher takes an active role in the process he is studying, for example through initiating planned or unplanned changes in the organizational system. His purpose is to gain a deeper insight into the functioning of the whole system from the inside, rather than to concentrate upon certain aspects of it as they can be observed from the outside. Rather than testing theoretically derived hypotheses by limited empirical data, he develops a theory through successive observations, and revisions are made throughout this process.[34]

Evaluative aims are consistent with an action research strategy in situations where a goal-attainment model is less adequate than a systems model; that is, when the features of interest are the kinds of changes a whole system undergoes after introduction of planned changes. In this kind of evaluation, which has been called process analysis, means and goals are looked upon as mutually interrelated to each other and alternate as the given and independent variables.[35]

In this evaluative study, the goal-attainment model has been taken as the point of departure. It is assumed that the purposes of the ESP primarily are to fulfil the objectives mentioned above. In this situation, the more traditional type of evaluation research has been chosen.

2.5. DIFFERENT ORGANIZATIONAL SYSTEMS INVOLVED IN PROGRAM EVALUATION

As was mentioned above, the review or feedback control system in a business firm is often part of the organizational system which it controls; that is, the control system has a closed-sequence character.[36] In the case of evaluation research this is an exceptional case. Normally the whole society, or considerable parts of it, must be defined as a system if we are to classify evaluation as a closed-sequence control system. But if we instead delimit the system to the level of individual organizations we find that several system of this kind are normally involved in program evaluation, and that the control system consequently becomes of the open-sequence kind. This is perhaps one important attribute of program evaluation which makes it different from the general case of review or feedback control.

In figure 5 above program evaluation has been illustrated as a feedback control system.[37] The phases of program design and program ex-

ecution are usually divided between two different organizational systems. Normally the program design is carried out by the central government or the parliament, while the execution is delegated to local agencies or authorities or to special central agencies. Furthermore, although the output of public programs is produced by the program execution system, it is seldom produced within that system. Usually the programs take the form of services rendered a more or less well-defined group or system in the society, lying outside the execution system. Finally, the evaluator may belong to any one of the three mentioned systems, or he may be part of a fourth system participating in the program evaluation.[38]

In the present case the program design has been made up by the Swedish Government. Originating from an outline to the total support program presented by the investigatory committee, "TEKO-utredningen", the final design of the ESP was formulated by the Ministry of Industry in a proposition which was laid before and passed by the Riksdag. The same body has also approved the yearly governmental budgets, which have included the budgets of the support program.[39] Program execution has been submitted to a central government agency, the Board of Commerce, where a special unit, with a staff specially recruited for the purpose, was set up in late 1970. Two export consultants on this staff were placed in the manufacturers' associations of the textile and clothing industries. In this work the staff has also employed the services of other organizations, such as the Swedish Trade Commissioners and Chambers of Commerce abroad.[40]

The program measures have been offered to the firms in the Swedish textile and clothing industries; these branches of industry thus constitute the treated system where program results can be expected. The role of evaluator in this case has been given to a unit at the Department of Business Administration at University of Uppsala.[41] The evaluator has, in other words, belonged to an organizational system relatively independent of other subsystems in the total evaluation system.[42] Finally, the program objectives were also formulated by the Government in their proposition concerning the program.

2.5.1. ORGANIZATIONAL RESISTANCE TO EVALUATION

The fact that several organizational systems are normally involved in evaluations of public programs probably is one reason that such efforts are much more unusual than is feedback control within individual organizations.[43] There may be several explanations for this observation. First, there is probably a decisive difference between review control carried out within an organization and such control of the organization originating from the outside. The former case is often regarded as a necessity for organizational survival, and since survival is usually assumed the most important organizational goal we can expect a relatively high degree of willingness on the part of the management of the organization to initiate review control. But it is presumably different when someone outside the organization demands and initiates a review control process. Perhaps such a control in itself is looked upon as a greater threat to organizational survival than the complete absence of review control activities would be. Consequently, the organization to be reviewed may refuse to co-operate with or try to complicate the task of the intruder with the aim of preventing him from fulfilling his intention.

There is perhaps in addition an important difference between profit-making business firms and public service agencies concerning their

willingness to exercise review control. The fate of the business firm is, according to the rules in our society, decided by the balance sheet, which mercilessly prescribes the conditions under which the firm has to live in the future. In the public service agency the degree of goal fulfilment is not usually measured with any accuracy; and since budgetary allotments often keep flowing into the organization, it may be difficult for management to see any motive for initiating more effective review control. This may be true unless management can, with some certainty, foresee highly favorable findings of such feedback, which may subsequently be used in bargaining for increased resources.

Presumably, the older and more established the program or program execution system is, the greater will be the organizational resistance to evaluation; it may consequently be easier to evaluate new programs carried out by young organizations which have a smaller degree of "vested interests".[44]

There are additionally many sources for conflict between the evaluator-researcher and the practitioner. It has been proposed that there may be initial personality differences between people who choose program practice and those who prefer research.[45] It is more clearly observed that there are significant differences in their roles. In order to carry out his job effectively, a practitioner has to believe in what he is doing; on the other hand, it is the task of the researcher to question practice.[46] The practitioner is concerned with giving service to someone, while the evaluator not only questions the value of that service, but also requests that the practitioner devote service-rendering resources to the evaluative effort. From the evaluative point of view it is always necessary to get assistance from the practitioners in questions concerning data collection, record-keeping, selection of program participants and control groups, etc, but it is the practitioner who is forced to absorb the opportunity costs of his co-operation in terms of the service capacity of the program.

Sometimes practitioners resent what they see as higher status accorded researchers. While they strive away and do the hard day-to-day work, the evaluator observes, measures, writes a report, and collects all the rewards. He appears to be milking the program of opportunities to promote his own career at the expense of others.[47]

The results of evaluation research is another source of tension between researcher and practitioner. Because administrative claims for programs are usually unreasonably optimistic, evaluative research results are almost inevitably disappointing to the administrators.[48] In fact, the tendency toward negative findings or, at best, rather small positive effects, is a common feature in the experience of evaluative research. The practitioner's defense is often to question the worth of the evaluator's research tools. He may consider the measuring instruments crude and incapable of registering the many more subtle positive effects of the program - for example, attitudinal changes. Implicit, however, in the evaluative task are attempts to discover inefficiency and to encourage change, while administrators often prefer to resist change of any consequential scope in that change be inconvenient to them or, in the extreme case, threaten their position. Finally, it has been observed that evaluators and practitioners often make different interpretations and draw different conclusions from the same evaluation reports. While the researcher often questions the basic principles and assumptions behind

the program, the practitioner may often regard shortcomings to be a consequence of inadequate resources, and invoke this as justification for "more of the same".[49]

Although many sources of potential tension and conflict in relations between evaluators and practitioners have been reported above, the present case is not a good illustration of such experiences. A strong willingness to co-operate with and support the evaluation has characterized the unit at the Board of Commerce which has been responsible for execution of the ESP. This co-operation may primarily be due to the tolerant and open-minded staff working there. There was, in addition, a general recognition that the program was a new one, set up as a demonstration project in order to gain experience about its effects. All parties expected an evaluation to be done, and this factor certainly contributed to our good relations.

2.6. DIFFERENT KINDS OF EVALUATION RESEARCH

Suchman has pointed out that it is important to make systematic classification of evaluative studies according to significant criteria of their content and method.[50] A brief overview of the field of evaluation research will be given below. Evaluation research may be considered a general conception or framework from which evaluative efforts may be derived.

The object of evaluation research is public programs, which are defined as the provision of public resources with administrative direction to accomplish a prescribed set of objectives through the conduct of specified activities.[51] A project is the implementation level of a program. A program could consist of one or several projects.

Distinction between different kinds of evaluation could be made according to many criteria. I will here restrict myself to those which are considered essential to my own problem.

2.6.1. ACCORDING TO THE TARGET GROUP OF THE EVALUATED PROGRAM

In the vast literature about evaluation research, the term evaluation is used in the context of public social programs, that is activities undertaken by the Government to provide services to the public.[52] Applications of evaluation research are almost totally concentrated around social programs in such fields as education, social and medical care, unemployment, juvenile delinquency, and public health.[53] However, almost all fields where activities are influenced by purposeful interaction from an outside agency may be the object of evaluative studies. The present problem concerns a Government program providing services and subsidies not to individuals, or groups of individuals, but to business firms. Such programs will be referred to as commercial and industrial programs. From an evaluative point of view, such programs are probably not very different from other public programs directed toward non-profit organizations with discretion over resources under a criterion of efficiency - schools, hospitals, government agencies, and so on.

Although governments increasingly employ commercial and industrial programs in the belief that they are essential means for the fulfilment of the society's main objectives (economic growth, unemployment, strengthened balance-of-payments, etc), this is a new area for eval-

uation research where very little has been done as yet. I have been able to find only a few studies which could be classified with this category of commercial and industrial program evaluations, and they have not explicitly employed the evaluative research frame of reference.[54]

In spite of the lack of experience in this field, such evaluations seem to me to be a most promising area. In large measure, the ideas, conceptions, and frameworks already developed in social program evaluation can be profitably employed as well in the evaluation of commercial and industrial programs.

2.6.2. ACCORDING TO PURPOSE OF THE EVALUATION

The Office of Economic Opportunity (OEO) has presented a model for evaluation which distinguishes between four kinds of efforts:

1. Program impact evaluation is assessment of the overall effectiveness of a national program in meeting its objectives. It depends on the definition and measurement of appropriate output variables and the use of appropriate comparison groups. Environmental and process data usually are not essential.
2. Program strategy evaluation is assessment of the relative effectiveness of different techniques used in a national program. It usually depends on definition and measurement of appropriate environmental, input process and output variables.
3. Project evaluation is assessment of the effectiveness of an individual project in achieving its objectives. It corresponds to (1) above on the project level.
4. Project rating is assessment of the relative effectiveness of different local projects in achieving program objectives. It corresponds partially to (2) above on the project level.[55]

Activities which have their main focus on program input rather than output are not, according to the definition chosen above, pure evaluation activities. They could, however, be related to such activities. Examples of such reviews of program efficiency are monitoring, reporting systems, program accounting, and cost analysis.

Consistent with the motives behind these studies, the evaluative task has been interpreted as coming closer to Program Strategy Evaluation rather than to Program Impact Evaluation. The program to be evaluated, the ESP, is considered as a demonstration project, intended to generate experience in a wider sense. Thus it is not enough for the evaluation to "pass" or "fail" the program; it should also attempt to find out why the program is or is not effective.[56]

2.6.3. ACCORDING TO FOR WHOM THE EVALUATION IS MADE

It has been said above that program evaluation should aim at improving the program through modification of past or current operations. But this aim could be realized in at least two different ways. The evaluation can be designed for guidance either primarily to the policy makers, that is those who decide over the long-run design of the program, or primarily to the program managers, that is those who have command over the short-run program execution.[57] In figure 5 above evaluation intended for policy makers is illustrated as the typical case. The alternative case, evaluation for

program managers, could be illustrated by a supplementary arrow between the evaluator and the program execution box.

A third type of use for evaluation is in outside settings - by agencies operating similar programs, by standard-setting or resource-granting bodies or by policy-making units at state and local levels. An intermediary use can also be recognized - the transmission of evaluation results to change-agents who, persuaded by the evidence, become advocates for its application.[58]

Another way to express these distinctions is to say that the purpose of evaluation differs with reference to the scope of its expected influence in time. According to this scheme, the purposes could be to affect the design of the particular program in either the short-run or long-run perspective, or the design of future programs in related fields.

Although an evaluative project may aim at yielding at least something for all these mentioned purposes, it is important that a prioritization between them be made at the beginning of the work. Otherwise the evaluator may face the dilemma of choosing between improving the research and influencing program development. The situation has been characterized by Mann in the following way:

> "The better the study, the longer it takes, and consequently the less usefulness it may have. Conversely, the sloppier the procedure, the more likely it is to provide information on questions of interest even though this data will be of doubtful validity."
>
> Mann (1969), p 13

As is obvious from the above, the evaluative studies in this present case were made primarily for the purpose of the policy makers; that is, to generate substantial experience to be used in the decision-making concerning future existence and design of the program studied.

In the short background on the evaluative situation presented above, it appears that the results also are of interest for considerations concerning future programs of a similar type, both from the program design and program evaluation points of view. The present studies therefore have as a secondary purpose to make the experiences available to outside settings. The motive of providing some knowledge about problems facing small and medium-sized exporting firms may also be placed in this context.

It has not been the purpose of this work to provide information to the program managers, and their interests have not been explicitly taken into consideration in the design of the studies. However when it has been possible, without interfering with the purposes and design of research situations, data and other materials have been put at the program managers' disposal.[59] I have the impression that this has been an important contribution on my part in order to create contact, understanding and willing participation in the evaluation from the program managers' side. Although this is often mentioned in the literature as a critical problem in evaluation research of this kind,[60] my experience in this area is predominantly positive.

Nonetheless, the priority chosen in this study may create some problems. When the program managers become aware that the evaluative design does not meet their own requirements, they may become eager

to arrange parallel evaluations for their own legimitate purposes. Such efforts could disturb the evaluative situation for such purposes as mine, and could therefore create potential conflict. In the present case this problem has, however, been non-existent.

2.6.4. THE ROLES OF EVALUATION RESEARCH

Evaluation research can take different roles. Requests on the part of policy makers or program managers may be motivated by an honest desire to find out the program's effects and take them into account in decisions about the future of the program. There is at the same time the danger that such requests represent a strategy to avoid criticism during program execution. In the latter case, critics may be disarmed by the response that the program is being evaluated and that conclusions about its effects must wait until the evaluation report is available. Another all too common motive for evaluation is that the initiator seeks a confirmation of his own ideas and expectations about the effects of a certain program or certain ideas. Such motives may create difficulties for the evaluator, at least if the evaluative results do not confirm the expectations.

In the present case there is every good reason to believe that the Government, in assigning outside researchers to evaluate the support program for the textile and clothing industries, had as its motive to find out as much as possible about the effects, with the expectation that this knowledge would serve as a base for future decisions. One such indicator of the initiator's "pure" intent is that the program, which originally was established for a probationary period of four years, was prolonged for one additional year because of the requirement for further time to obtain the evaluation results.

After about four years experience with the ESP, a preliminary evaluation report was submitted to the Ministry of Industry in June, 1974. The final decision as to the ultimate fate of the program was thus also postponed one year, to the autumn of 1974.[61] The substance of the Government's decision was that those parts of the ESP which according to the results of the evaluation had led to small and insignificant effects - primarily the subsidies - should be terminated; while the collective activities, whose effects the evaluation had considered more positively - for example the integrated market campaigns - were continued, although to a reduced extent and under new organizational arrangements.[62]

In the proposition from the Government, the decision not to continue with considerable parts of the ESP, and to allow other parts partly to remain was motivated by explicit reference to the results of the evaluation. Naturally, there is probably many influences behind such a decision by the Government, for example political considerations, international trade agreements, considerations to other branches of industry and resource constraints. However, it is a well-known fact that pressure groups actively worked for continuation of the entire program by emphasizing that the ESP had, in their opinion, had considerable positive effects. The Board of Commerce, in a letter to the Government, has stated that according to their view, the program has had clear positive effects.[63] Similar conclusions have been made by a co-operation committee representing organizations of employers and labor unions in the textile and clothing branches of industry.[64]

The fact that the Government's decision reflected the results of the evaluation indicates that these results may have influenced the revision of the program design. This conclusion is highly uncertain, however, since it is not known what the Government's decision would have been, had the evaluation results been the opposite.

2.7. EVALUATION AND VALUES

As it was stated above, evaluation is by its nature normative, in the sense that it always starts with some value premises and compares observations of actual events in relation to them. The value premises are the ground upon which the goal-setting of a public program is built; and the goals, or objectives, of the program constitute the basis for program design and program execution, as well as for the formulation of evaluative criteria.[65]

What comes first in this process is, of course, the formulation of the value premises. In this case they were formulated in the political system. The Minister of Industry stated, in his directives to the committee set up in 1968 to investigate the situation of the textile and clothing industries, that it was desirable that required future structural changes take place in such ways and at such a rate as to minimize the difficulties for the industry's employees and the loss of fixed capital. That is, while recognizing that a further reduction in the size of the industry was unavoidable, the Minister postulated the value premises that hitherto high rates of losses of job opportunities and fixed capital be reduced.[66]

The objectives of the total support program, as expressed in the Government's proposition in 1970, are assumed to be formulated on the basis of these value premises and the analysis of the situation made by the investigatory committee, although many other considerations can also be expected to have influenced this process, for example, political, legal, and resource restraints.

The value premises constitute the ultimate goals of the program to be evaluated. Although it is important to be aware of their content, the evaluation should be set up in relation to the program goals, with the implicit assumption that these goals reflect the value premises on which they are grounded.

3. PROBLEM FORMULATION FOR EVALUATION

3.1. IDENTIFICATION OF INTERVENING VARIABLES

The problem which underlies all evaluative studies is to measure the degree to which a certain activity, A, will attain the objective, B. But evaluative attempts cannot usually take problem formulations on this level as a direct point of departure for the evaluation design. Often there are intervening causal processes between the dependent and independent variables which should be recognized in the problem formulation of the evaluation. Suchman has developed this idea further:

> "The ideal evaluation study tests under field experimental conditions the hypothesis that activity A will attain objective B

> because it is able to influence process C, which affects the occurence of the objective. Thus, there are two possible sources of failure (1) the inability of the program to influence the 'causal' variable, or (2) the invalidity of the theory linking the 'causal' variable to the desired objective. According to this analysis, evaluative research tests the ability of a program to affect the intervening 'causal' process. Non-evaluative or basic research, in turn, tests the validity of the intervening 'causal' process as a determinant of the desired effect. For example, the evaluation of an obesity clinic may show whether attendance leads to a loss of weight, but whether such a loss of weight decreases the incidence of heart disease is a question for non-evaluative medical research."
>
> Suchman (1969), pp 15-16

Suchman's idea is illustrated in figure 6 below.

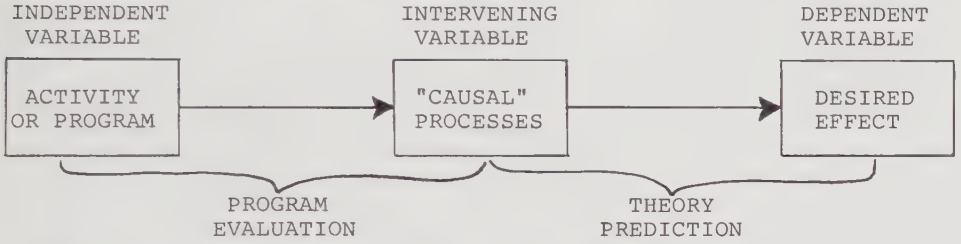

FIGURE 6. Problem-level for Program Evaluation.
Revised from Suchman (1969), p 16.

According to Suchman, it is an evaluative task to connect the program activities to the intervening variable through a causal relationship. But it should also be pointed out, that to accomplish the first link in this chain of problem-levels, the evaluator may draw upon applicable theories already in existence, or, if the lack of existing theories forces him to do so, he may formulate his own linking theory. In the latter case, however, he should test the validity of the new theory in the context of the specific evaluation situation; that is, its adequacy to explain the relationships between the independent and intervening variables should be demonstrated.

However, it is not an evaluative task, according to Suchman, to test the validity of the theory employed in the second link of the problem-level chain.

In the present case it is the purpose to evaluate the ESP. Although there are three joint objectives formulated for the total support program, it will here be assumed that one of these - the desirability of an expanded export volume in the future - can be interpreted as the principal one in connection with the ESP. Taking the relations between the various activities of the ESP and the future export volume of textile and clothing firms as the main problem for the evaluation, it is obvious that they cannot directly be related to each other in a causal model, but that it is necessary to find one or several intervening variables in this causal relationship in order to limit the evaluative problem and make it operative. The next task will be to identify these variables.

All the activities and measures undertaken within the frame of the ESP are offered and directed to individual business firms. It will therefore suffice if intervening variables can be found which explain the behavior of the firms vis-a-vis the stimulative measures.

From one point of view, the stimulative measures of the ESP can be regarded as a form of export subsidy. It might therefore be of interest to take a look at international trade theory and the way it describes subsidies and their effects upon producing firms and their export sales.

3.2. THE EFFECTS OF SUBSIDIES IN INTERNATIONAL TRADE THEORY

Subsidies are defined in many different ways depending upon the purpose for which the definition is to be used. I shall choose a very general definition that merely describes the process. According to that definition, subsidies are any direct or indirect payment to producers for which there is no corresponding recompense to the subsidizing unit, usually the Government.[67] A distinction is usually drawn between production and export subsidies.[68] The former can make it possible for the favored firms to supply goods in both domestic and foreign markets at a lower price than they would have charged in the absence of a subsidy. Export subsidies can make it possible for firms to offer export prices that are below domestic prices, thereby distorting free competition in export markets.[69]

Export subsidies can take many forms, although all of the varieties yield more or less the same kinds of effects. Besides direct transfer of money in some proportion to export sales,[70] subsidies can also take the form of currency measures for exporters, favorable governmental export financing schemes, tax refund or exemption on export goods, and reduction of cost on input such as raw materials.[71]

Most types of subsidies will tend to distort free competition in international trade. Consequently the arguments used for the defence of subsidies are very much the same as those used for defending other means of trade control, such as tariffs.[72]

Except for refund or exemption of indirect taxes on exported goods, article XVI in the General Agreement on Tariffs and Trade (GATT) states that nations should cease to grant any form of subsidy for industrial goods.[73]

Studies which attempt to describe the effects of different trade control measures usually take the theory of international trade as a point of departure. The latter has been characterized in the following way:

> "The theory of international trade is the application of general value theory and monetary theory to a special case in which the microeconomic decision units (households and firms) are grouped into subunits (countries or regions) of the macroeconomy differentiated from one another in the way just described."
>
> Johnson (1968), p 84

An elaborate structure of economic theory concerned with the effects from protective measures has developed on the basis of international trade theory. The classical case for free trade has been gradually

modified by arguments for protection. The theories have seeked to find and to defend arguments and motivations for different measures of protection with reference to their effects on employment, income distribution, terms of trade, factor-price equalization, infant industries, economic growth, etc.[74] Most of the theories have carried out analyses of specific situations where certain protective measures can be defended.[75] The analyses have almost always been formulated on the level of nation-states or regions with implications to be drawn about the resultant conditions for firms and the welfare of households and individuals. By employing a comparative statical method of representation, these theories seek to describe the conditions of production, supply and demand on aggregated national markets before and after a protective measure has been introduced. The analyses are usually based upon general assumptions about free competition in national markets, absence of taxes or other elements that distort prices from correspondence to marginal costs, rational (utility and profit maximizing) behavior of consumers and producers in response to complete information, and so on.[76]

Export subsidies are often regarded by these theories as negative tariffs. The effects upon international trade of a general tax or subsidy is often measured in terms of the total production and consumption in the domestic or foreign markets.[77]

3.2.1. SUBSIDIES AND THE ESP - SIMILARITIES AND DISSIMILARITIES

There are both similarities and differences between direct trade control measures like export subsidies, and the ESP.

The most striking similarity is, of course, the fact that all these measures have as their primary aim to cause an increase in a country's volume of exportation.

Among the differences the most important from my point of view has to do with the object being subsidized under the two kinds of measures. In the case of the export subsidy, a government usually gives direct or indirect economic benefits to firms realizing export sales. In both cases the object being stimulated thus is the volume of export sales.[78] The ESP, on the other hand, offers direct or indirect economic benefits to firms that undertake certain planned activities in export markets which are assumed to promote future sales in these markets, for example, market investigations, product development, and sales promotion. The object being subsidized by the ESP is thus export market planning activities.

While the general export subsidy will tend to change the economic conditions of production and/or export sales operations of the firm, the ESP will tend to change the economic conditions of market planning activities, which usually precede production and export sales activities. Obviously, these two kinds of firm behavior belong to different decision areas.

3.2.2. DIFFERENT KINDS OF DECISIONS

The decision-making of the firm has been classified in many different ways. One taxonomy often employed distinguishes among three main decision areas:

1. Strategic decisions are concerned with establishing the relationship between the firm and its environment.

2. Administrative decisions are concerned with establishing the structure and shape of the firm.
3. Operative decisions are concerned with selecting the operating levels of the firm.[79]

The general export subsidy has in international trade theory been assumed to affect only the operative decisions of the firm, that is decisions about production and supply quantities, costs and prices. The fact that subsidies also could have indirect repercussions for both strategic and administrative considerations, through the influence present production and sales might have upon decisions concerning the future dimensions and shape of the firm, is disregarded by international trade theory. Models which aim to take such indirect effects of subsidies into account must deal with the behavior of the firm during several time periods, since there is in reality a considerable time lag between strategic decisions and their consequences at the operative level. Since the future is always connected with uncertainty, such models would also have to take this into account. Obviously, the kind of microeconomic models which have been employed for analysis of the effects of subsidies have neither considered consequences of decisions that stretch out over several time periods, nor recognized the existence of uncertainty.

The market planning activities supported by the ESP can be classified as strategic and administrative decisions. Market investigations, product development, and sales promotion activities, aimed at expanding the firm's operations into new export markets, typically belong to the area of strategic decisions.[80] The same kinds of activities carried out with the aim of shaping operations in existing export markets should rather be classified as administrative decisions. In both cases, the decisions made and activities undertaken will have future consequences which are subject to uncertainty. The conclusion therefore is that the kind of microeconomic models employed in international trade theory will, in the present situation, be inadequate to explain the effects of the ESP upon the behavior and export sales of the firm.

3.3. AN ALTERNATIVE MODEL

Recognizing that strategic and administrative decisions must normally precede operative decisions and, ultimately, export sales, the present problem requires a model which takes this time-ordering into account. Whether a firm offered the services of the ESP will realize the desired expansion in its future export sales depends upon the strategic and administrative decisions it makes in response to the ESP. Such decisions must change the extent and shape of its export sales activities so as to make such an expansion possible. In other words, it is essential to specify the relations that exist between the stimulative measures of the ESP and those aspects of the firm's behavior which are essential factors for determination of its future export sales.

The firm can be regarded primarily as a decision-making entity, which is characterized through the decisions it makes about the use of its resources (human, financial, material, knowledge, and so on). The decisions are assumed to be made by one decision-maker.[81] He is not assumed to make explicit distinction between different decision

areas as has been done in the definitions of strategic, administrative and operative decisions. Although he probably senses the intuitive differences among decisions of different scopes in time, from his standpoint, the period over which the decision is intended to apply is often an integral element in the decision itself. Furthermore, it is difficult for him to predict all the implications and consequences of his decisions. Take for example the case of a decision maker accepting an order from a new customer, which may initially appear to be a pure operative decision. If, however, the customer is satisfied it may lead to further orders of a considerable size, perhaps large enough to initiate decisions about a new plant or sales organization close to the new customer. Such unforeseen consequences tend to shift the initial decision up the scale toward the strategic end. It is, in sum, difficult for the decision maker operationally to distinguish among the various categories used in the suggested taxonomy.[82]

The decision-maker is further assumed to be influenced primarily by the decision base; that is, all information that is perceived by him about consequences of considered alternatives. Such information could originate from both inside and outside the firm. The ESP is an example of such an outside factor which can be expected to affect the decision base of the firm and thereby to influence the decisions made concerning export operations. However, the decision-making process in the firm is not very easy to observe empirically. It may stretch out over long time periods, and the observer may encounter serious difficulty in trying to identify when a certain decision was made, by whom, and what its substance was. Empirical observations therefore must be concentrated around the behavior of the firm, as it is represented by activities undertaken.

The conclusion is that two kinds of intervening variables will be used as evaluative criteria. In theoretical analysis the decision base in the firm will be employed as the intervening variable, while in the empirical verification the export activities undertaken by the firm will be treated as the intervening variable. It will be assumed that the activities undertaken directly reflect actual decisions made.[83] The different problem levels for evaluation are illustrated in figure 7 below.

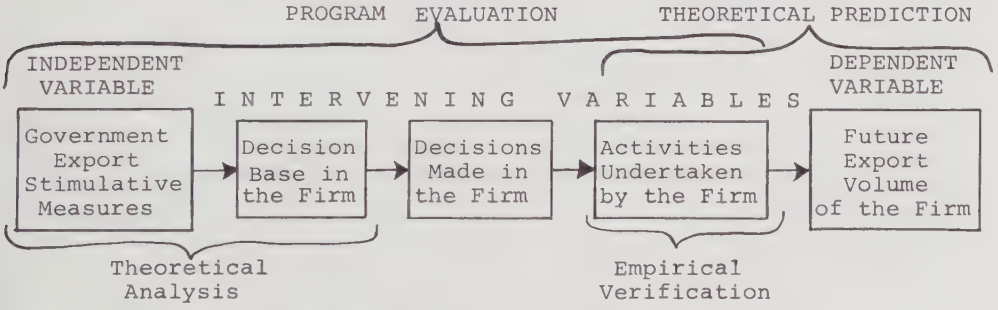

FIGURE 7. Different problem levels for evaluation.

In the figure is illustrated the chain of relations between the stimulative measures of the ESP and the objective of the program, with specification of the intervening variables to be used as evaluative criteria. Compare with figure 5, p 17.

3.3.1. THE EXPORT ACTIVITIES OF THE FIRM

A firm planning to commence exporting has to carry out a set of activities designed to promote export sales in short and long run perspectives. All such activities, from the initial information collection through to the final delivery of goods, will be referred to as export activities.

Östberg has mentioned four kinds of activities which must be undertaken before an export sale can be realized; these are illustrated in figure 8 below. The same distinction could also be made for the operations of the firm's domestic sales activities.

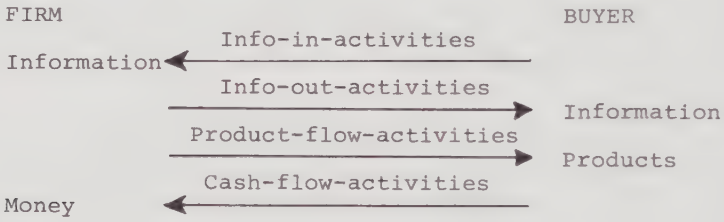

FIGURE 8. Flows of Export Activities of the Firm.
Source: Östberg (1972), p 133.

3.3.2. EXPORT AND DOMESTIC SALES ACTIVITIES COMPARED

Although there is probably no difference in the nature of export and domestic sales activities, there are certainly many differences in the conditions under which they are carried out. This is due to the fact that problems facing firms selling abroad often are different from problems connected with domestic sales.

One such difference is related to the uncertainty of the decision-maker. Foreign markets are not only assumed to be less familiar to him than is the domestic market, but also to be different in a way that complicates the collection and interpretation of information. The decision-maker is therefore assumed to perceive a high need for information at the same time that psychic distances to foreign markets make information gathering much more difficult and expensive.[84] Thus, even if a decision-maker is making considerable efforts to get a better picture of the conditions in prospective export markets, he is not assumed to reach the same level of orientation about these markets as he has about his own, domestic market - at least not until he has gathered substantial practical experience from operations in the export markets.[85] For this reason, it is assumed that his perceived uncertainty about consequences of export operations is larger than it is in connection with domestic operations. This fact is further assumed to influence not only his information-collecting activities but also all other export activities where risk-taking is involved, and thus, ultimately, the firm's propensity to export.[86]

However, differences between markets in different countries do not merely create uncertainty. Even when the differences are known to the decision maker they demand that consideration be taken to local conditions; the firm has to adapt its export activities to the various local market conditions. A consequence of that is that differ-

ent markets may be of unequal importance to individual firms as regards size, potential, profitability, etc. Therefore, an individual firm may put priority on some markets at the expense of others when making decisions about the shape of its export activities.

Yet another characteristic which distinguishes export activities from domestic sales activities is that the former generally require the addition of at least one intermediary in the marketing channel between producer and buyer. This is illustrated in figure 9 below.

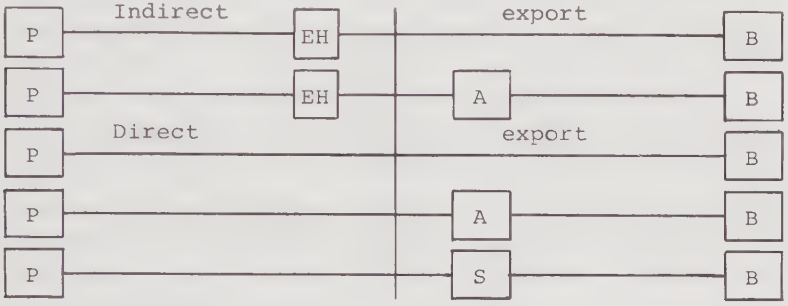

FIGURE 9. Channels in Export Operations.

Source: Forsgren & Johanson (1975), p 45.

P=Producer; EH=Export House; A=Sales Agent; S=Sales Subsidiary; B=Buyer.

3.3.3. THE EXPORT BEHAVIOR OF THE FIRM

The firm's export behavior will be defined as the sum of all its export activities.[87] Suppose that a certain firm in a specific export market during a given period of time carries out several export activities, assigned the numbers i=1, 2...n-1, and that each of these causes a direct cost to the firm of x_i monetary units. This firm's total direct export activities in the market, expressed as a set of direct costs for corresponding activities, can be expressed as $x_1, x_2 \ldots x_{n-1}$. It is also assumed that certain export activities, which are common for several export markets, cause joint costs for export operations, as for example the overhead costs for an export department and product development. These costs are assumed to be distributed according to some principle among the export markets, and the joint costs for export activities in a certain market are expressed as x_n. Suppose further that the different kinds of export activities can, in principle, be carried out in all the firm's export markets, j=1, 2...m. The firm's export behavior (EB) can then be expressed as a two-dimensional matrix, where the rows symbolize the set of export activities in individual markets, and the columns show the set of each kind of activity over all markets. Such a matrix is represented below.

$$EB_{\text{firm A}} = \begin{bmatrix} x_{11} & x_{12} \cdots x_{1n-1} & x_{1n} \\ x_{21} & x_{22} \cdots x_{2n-1} & x_{2n} \\ \vdots & \vdots & \vdots \\ x_{m1} & x_{m2} & x_{mn-1} & x_{mn} \end{bmatrix}$$

The x_{ij}:s in the EB matrix are defined as flow variables, illustrating the amount of resources employed for a certain kind of export activity in a certain market during a specified time period. When describing the firm's export behavior, distinction can be made between two aspects: its cost and its content. These two aspects will be called scale of activities and content of activities respectively. Thus the scale of activities (SA), can be defined for a single market as the sum of direct costs for the firm's direct export activities in that market, and for all export markets as the sum of all export activities; that is,

$$SA_{\text{market 1}} = \sum_{i=1}^{n-1} x_i$$

$$SA_{\text{market 1, 2...m}} = \sum_{i=1}^{n} \sum_{j=1}^{m} x_{ij}$$

The content of activities in a single market may be expressed as the relative distribution of all direct export activities in that market.

If,

$$y_{ij} = \frac{x_{ij}}{\sum_{i=1}^{n-1} x_{ij}}$$

it is possible to illustrate the firm's content of activities in a certain market as a vector $\underline{v}_j$, $\underline{v}_j=(y_{1j}, y_{2j}...y_{n-1j})$. In this vector, y_{ij} is an expression for the relative weight of each export activity in the given market. A corresponding vector might also be developed for the relative distribution of all export activities in all export markets.

3.3.4. EFFECTS OF THE ESP UPON THE EXPORT BEHAVIOR OF THE FIRM

The export behavior matrix illustrated above will in this study be considered as the ideal, descriptive model of the firm's export behavior. Although it may be almost impossible to map out the entire matrix for individual firms, it can serve as a frame of reference for measurement of relevant parts.

Since the export activities of the firm are to be used as intervening variable for the empirical part of the evaluation, it will be the aim to find out whether a firm which has been offered services of the ESP exhibits an export behavior that in any way is different from what it would have been in absence of the program. It may then be relevant to make distinction between two different kinds of influences of the ESP upon export behavior, namely effects upon its scale and its content. A combination of these two influences is also a possible effect. Theoretically, four different combinations of influences from the ESP can be found which is illustrated in table 3.

The second class of influence can be regarded as a special case which probably is very rare in the real world. The first kind of influence may include many combinations of simultaneous changes in both scale and content dimensions of export behavior. In this case, as well as in other classes of influence, it may also be valuable to combine the classification with an assessment of the impact of the stimulative measures. Program impact could be measured as a degree of influence; that is, the ratio of the firm's export activi-

TABLE 3. Classes of influence of ESP upon the firm's export behavior.

Class of Influence	Kind of Influence	Example of Behavior when stimulative measures have been implemented
1	Scale and Content	Many combinations of simultaneous change in scale and content are possible, depending upon how many activities remain unchanged.
2	Scale	The firm makes the same proportional increase in the volume of all its activities.
3	Content	The firm is carrying through some activities that would otherwise not have been realized as a compensation for activities of a corresponding size which are cancelled.
4	None	The firm's Export Behavior is identical to what it would otherwise have been.

ties, in a single market or in all export markets, that change with the initiation of stimulative measures. Comparing then the a priori and a posteriori EB matrices, the degree of influence (DI) can be expressed as

$$DI = \frac{\sum_{i=1}^{n} \sum_{j=1}^{m} x'_{ij}}{\sum_{i=1}^{n} \sum_{j=1}^{m} x_{ij}}$$

where x'_{ij}, denotes those export activities whose scale or content in any way change when stimulative measures are introduced.

3.3.5. THE RELATION BETWEEN THE FIRM'S PRESENT EXPORT BEHAVIOR AND FUTURE EXPORT SALES

As has been elaborated above, the influence of the ESP upon the firm's export behavior is to be used as the evaluative criterion. However, there is also a need for further specification of the relations which are assumed to exist between the intervening variable - the evaluative criterion - and the ultimate objective of the program, that is an expanded future export volume. Consistent with the view on problem levels for the evaluation expressed above, this second link in the chain between the stimulative measures and the objective should not primarily be an object for evaluative research.[88] I will therefore confine myself to making theoretical assumptions or predictions about this second link in the chain, that is between the intervening variable (evaluative criterion) and the program objective.

As follows from the definition of the export behavior matrix, the export activities of the firm are characterized in three dimensions, namely kind of activity, monetary resources devoted, and individual market. Consequently, I will not deal with the normative question of which activities or combination of activities are the most instrumental for the expansion of a firm's export sales; instead it will simply be assumed that the more resources devoted to export ac-

tivities, the better are the prospects for expansion. Neither will differences in the efficiency of activities undertaken be considered; for example, alternative advertising campaigns in market i, each costing x_i monetary units, will be considered as contributing equally to future export sales in that market, even though one of them may be much more cleverly designed than the others.

The reason that these considerations have been left out is that it would be a very awkward task to make such judgments. Although it is reasonable to assume that present export activities may lead to increases in future export volume, the optimum shape of such export activities cannot be explicitly specified. If it was possible to do so, the ESP would presumably not have been considered necessary in its present shape. Neither do I believe that such judgments are necessary for the evaluative task.

The present export behavior of the firm is an expression of the firm's total export activities in a short-run perspective; that is, for a period of one year or less. It may directly influence the firm's export sales during the same period. But learning effects are also assumed to take place. The future export behavior of the firm is assumed to depend partly upon the operational experience of present export activities, and partly upon feedback from their outcomes - export sales in short-run. The future export behavior is further assumed to be directly affected by the stimulation program itself, and the future export sales of the firm will be directly influenced by the firm's future export behavior. The situation is illustrated in figure 10 below.

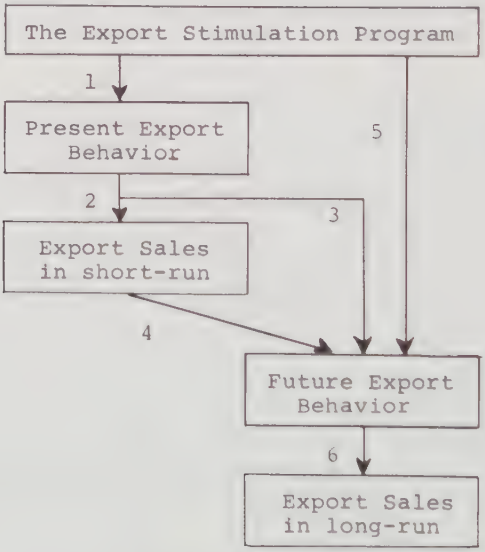

FIGURE 10. The influence of the ESP upon the firm's present and future export behavior and short-run and long-run export sales.

Arrows indicate possible influences.

A few examples of those relationships between the ESP and the firm's future export sales which are illustrated in figure 10 will be mentioned. A short-run positive influence by the ESP upon the firm's export behavior, leading to short-run success in its export sales, may be reinforced in a longer perspective through feedback and learning effects.

Another possible example is that of the firm whose export behavior is not affected in the short-run by the ESP, perhaps because of earlier resource commitments or a small propensity to react upon new stimuli factors from the environment. In such a case it is still possible that the stimulative measures, after a maturity process, may in the long-run successively affect the firm's export behavior and its export sales.

The influence exercised by a firm's present export behavior upon its future export behavior has been illustrated in several studies carried out both in Sweden and abroad. It has been observed that the firm gradually increases its commitment to export markets; that is, the total amount of export activities carried out in these markets. Taking the organization of the export sales channel as an indicator of the scale of export activities in a given export market, these studies have found that most firms follow a chain of successive increases in their commitment to a market: no permanent export, export via agent, export via sales subsidiary, and (in some cases) local production in subsidiary abroad.[89] It does not seem too venturesome to assume that also the periods between these observed discontinuous changes in export sales channels, are characterized by more gradual increase in the amount of export activities.

Presumably the potential buyers in markets which are new to the firm react in a similar way; that is, they are initially cautious about buying from a new, foreign supplier and then successively increase the amount of goods they buy from him.[90] It is a common view that a firm's export activities cannot be expected to have direct, positive, short-run effects, but rather should be looked upon as market investments.[91]

The conclusion is that the future export behavior of the firm probably is very dependent upon the present, because the present behavior to some extent is a prerequisite for future development of increasing commitments to an export market.

3.4. THE AIM OF THE EVALUATIVE STUDIES CIRCUMSCRIBED

The aim of the evaluative studies more clearly defined will be to describe and explain the effects of the Export Stimulation Program (ESP) upon the textile and clothing firms' export behavior in a short-run perspective. This corresponds to arrow 1 in figure 10 above. Only assumptions will be made about the other relations expressed in figure 10; that is, influences upon short-run and future export sales and future export behavior.

4. DIFFERENT EVALUATIVE DESIGNS

There exist two main problems which should be solved through an evaluation study. First, it should try to assess the extent to which the objectives of the program under study have been achieved. Second, it should seek to explain the causal relationship between the program and the outcomes; it should measure to what extent the program has caused an observed change. The basic evaluative problem has been formulated in the following way:

> "Ideally, we would like to compare what 'actually happened' to what 'would have happened if the world had been exactly the same as it was except that the program had not been implemented'."
>
> Hatry et al. (1973), p 39

Evaluation research will always have to rely on comparisons in one form or another. Depending upon which references are used for such comparisons, distinction can be made between many different evaluative designs, of which the most important ones will be mentioned here

4.1. CONTROLLED EXPERIMENTATION

The employment of this design means that specific changes in two or more carefully selected groups are observed, where one group - the experimental group - is exposed to program activities under controlled conditions, and the other groups are not. Effects of the program are measured as observed differences between the groups after the program exposure. By increasing the number of experimental groups and giving them separate treatment from the program, it may be possible to find out which combinations of program measures are the most effective.[92] This is theoretically the most "powerful" of the designs, and has been called "the Cadillac of evaluation research". It has, however, mainly theoretical merits, since difficulties of both methodological and practical natures are connected with its application in practice.

Among the methodological problems connected with the experimental model, the assignment of individuals to experimental and control groups is a critical issue. An essential requirement is a randomized assignment of people to each group, in an attempt to prevent the possibility that significant factors other than the program itself could be the cause of observed improvements in the goal variables.[93] But an approach of randomization presupposes that such influencing factors are known, and also that they can be identified and measured in the subjects prior to assignment to experimental and control groups. This is a most critical requirement. If in this case, for example, those background factors of individual firms which are important as explanations for success in export operations were known in advance, the ESP in its present shape would perhaps not have been necessary. The experimental design may also impose reactive effects upon the observed individuals, such as "Hawthorne"-effects, and spill-over effects between experimental and control groups.[94]

Among the many practical problems, those which involve ethical considerations are often most critical. Since public programs have the aim of offering services to a certain group, administrators, practitioners, and client representatives usually are very reluctant

to withhold services from those who might benefit from them, only for the reason of obtaining a perfect research design. The other side of the coin is that it might also be difficult for them to refuse service to some of those who seek it and provide service to some of those who resist it.[95] This problem is rarely reduced when, as in the case of commercial and industrial programs, the services are offered business firms whose profits and assets might be affected by the selection to different treatment groups. It is probably too troublesome for a government to distribute the economic benefits of commercial and industrial programs randomly or according to a randomized design within a population of firms. In this case, as in many others, the scientific argument of superiority in design probably is weaker than the pressures against discriminatory treatment. It is doubtful that the experimental model has ever been, or can be, employed in evaluations of commercial and industrial programs.

In this present case, an experimental evaluation was not mentioned in the program design, nor has it been discussed during the program execution. As an illustration it could be mentioned that the decisions about the distribution of Export Activity Subsidies have been made by the Government agency involved, the Board of Commerce, after hearings in an advisory committee where the industrial organizations, labor unions, and other pressure groups have been represented.

4.2. COMPARISON TO OTHER POPULATION SEGMENTS NOT SERVED BY THE PROGRAM

When controlled experimentation has been excluded, the quasi-experimental design is the next consideration. In this design the value of the evaluation criteria in the populations exposed to the program (treatment groups) are compared to those of other populations, or of segments in the treated population, which have not been served by the program (comparison groups). Effects caused by the program are measured as the difference between these two values.[96]

The advantage of this design is that it protects somewhat against the risk that false causal conclusions are drawn about positive effects of a program when there are at hand other external factors which affect not only the treated groups but also the comparison groups. However, this method affords no way of knowing that the two groups were equivalent before the program. In fact, it has been a common observation that they seldom are equivalent. One serious threat to comparability exists when assignment to the two groups has been executed by a self-selection process. Those who choose to enter a program are often likely to be different from those who do not, and such prior differences make post-program comparisons between them risky.[97]

Different solutions have been proposed to compensate for or to eliminate the influence of such biases in the comparison. Matching procedures, pairing up members of the treatment and comparison group according to some available measure, is one suggestion made. But as in the case of randomization, we often cannot in advance define the characteristics with respect to which the subjects should be matched. And if we happen to know the key characteristics for matching we will perhaps not need the study. The search for suitable subjects for comparison groups has led to the use of "unawares", that is

those who have not heard about the program but might have joined had they heard. Another such group is the "geographic ineligibles" - those who have characteristics similar to participants, but who live in locations where the program was not offered. But each ingenious stratagem solves some problems and raises others.[98]

In the present case the use of a quasi-experimental design would imply comparing those firms which have exploited the ESP with either other textile and clothing firms which did not apply, or with firms in other branches of industry. Although this approach has been seriously considered, it has not seemed promising. As has been pointed out, the distribution of services within the ESP has been executed through a principally self-selection process; certain firms have taken the initiative, while others have not. Although this fact in itself is reason for mistrusting the comparability of the two groups, the decisive factor is whether considerable differences can be found between applying and non-applying firms. Such differences could be of two kinds. They could be measurable as "hard" institutional background factors - attributes of individual firms which are assumed to have important consequences for the evaluative design (for example, size or prior export experience) - or as "softer" attributes which are difficult both to identify and to measure indirectly through employing indicators (such as attitudes, viability, innovative behavior, aspiration, values, and initiative).

It has only been possible to execute a comparison between applicants and non-applicants as far as the first kind of "hard" background factors are concerned. A comparison has been carried out between the 72 firms which applied for EAS for fiscal year 1973/74 and the 490 homogeneous textile and clothing firms listed in Swedish industry 1972.[99] The data base for the former group consists of the applicant's responses to questions on the application blank;[100] the data source for the latter group has been Swedish Official Statistics.[101]

It can first be noted that the applying firms represent 15% of the total number of firms in the branches of industry. Further, they account for 50% of the industries' production value, and employ 40% of the employees. The dominant role these applicant firms play within their respective industries is further indicated by table 4 below, where the size distribution of the applying firms is compared with the size distribution of the population of eligible firms, using number of employees as criterion for the comparison.

As is evident from table 4, the applying firms represent a disproportionately high share of the limited number (10%) of eligible firms with more than 200 employees.

Of more significance in this study is perhaps a comparison between the export volumes of the two groups of firms. For this comparison a ratio has been computed between:

$$\frac{\text{Export sales value of goods produced in Sweden as declared by applying firms in their application blanks}}{\text{Total Swedish export value of goods in groups SITC Rev. 65 and 84 according to Swedish Official Statistics}} = 0{,}45$$

The applicant firms are thus seen to account for 45% of the export value of the relevant industries. For methodological reasons, however, this 45% figure probably underestimates the actual share of

TABLE 4. Distribution of the Swedish textile, clothing, leather and leatherware firms and firms applying for EAS 1973/74 in relation to their size expressed as number of employees.

Sources: SOS Industri 1972 (Swedish Official Statistics, Enterprises 1972), p 76; Olson (1974), p 37.

Amount of employees	Homogeneous textile, clothing, leather and leatherware firms (SNI-group 32)		Textile and clothing firms applying for EAS 1973/74		
	Firms (1)	Frequency (%) (2)	Firms (3)	Frequency (%) (4)	$\frac{(1)}{(3)} \cdot 100$
<100	403	77	12	21	3
101-200	74	14	12	21	16
201-500	38	7	17	30	45
501-1 000	7	1	11	19	(100)[a]
>1 000	4	1	5	9	(100)[a]
	521	100	57	100	

[a] Note that columns (1) and (2), SNI-group 32, comprises also leather and leatherware firms, which are not qualified as applicants for EAS. Furthermore, this group includes only homogeneous firms, i.e. firms exclusively producing goods which belong to this SNI-group, while the applicant firms may comprise also heterogeneous firms in this sense. Such discrepancies of definitions may explain why the amount of applicant firms in the two last size classes is larger than the total amount of firms in corresponding classes of industry. A further explanation to this discrepancy may be that columns (1) and (2) are based on a sample survey, while (3) and (4) represent results from a total investigation in the population.

export value of the applicant firms; that is true because the two data bases are not built on the same system of definitions. Specifically, the official statistical sources may include as exports those goods which are first imported and then subsequently re-exported, and also those semi-finished goods which are exported for further finishing in subsidiaries abroad. These trade flows are, however, not included in the figures presented by the applying firms.

The assumption that the applying firms' share of total exports as computed above is underestimated, is also supported by judgments which have been made by the concerned industrial associations of the textile and clothing industries and by the staff at the Board of Commerce. According to their opinions, the applying firms include a dominant part of the active exporters, possibly excluding a few firms of considerable importance as exporters making yarn and technical textiles.

The conclusion which I have made is that it would be entirely unjustified to employ the non-applicant firms in the textile and clothing branches as a comparison group when analyzing the effects of the ESP. The primary reason is that the firms exposed to treatment from the ESP have been assigned by a self-selection process. Further, they represent a very biased sample of textile and clothing firms in terms of size and previous export experience. Thus if the non-applicant firms were to be used as a comparison group, it would be very

difficult to separate the effects of the program from the effects due to differences in firm characteristics when interpreting the results.

Another, different way to exercise a quasi-experimental design is to compare the treatment group to "branch ineligibles"; that is, similar firms in other branches of industry. In that case it would be important to find firms operating under very similar conditions and with a background regarding size and export experience similar to that of the textile and clothing industries. The latter compete in markets at home and abroad, where design and fashion characteristics are very important marketing attributes upon which the firms are very dependent, since they are not competitive only in terms of quality and price. The emphasis upon fashion attributes has implications for the marketing activities.[102] A comparison group should therefore include firms selling products of a similar kind. The manual glassware, leather and leatherware, and furniture branches of industry could be regarded as in many ways similar in this sense. An important objection to the use of these firms as a comparison group is, however, that they were also offered a similar export stimulation program some time after the introduction of the ESP. They could therefore more appropriately be regarded as a treatment group in an expanded evaluative project. Although this has been considered, I have decided not to include them in this study. In that case it would only have been possible to observe an even smaller number of textile and clothing firms, while at the same time the additional data from other branches of industry probably would have introduced further dissimilarities and complications in the analysis. A consequence would have been less conclusive results about the present ESP. Although the actual results of this study cannot directly be generalized to other branches of industry, the evaluative scheme could serve as a reference for future research about similar programs.

4.3. TIME TREND PROJECTION OF PRE-PROGRAM VS. ACTUAL POST-PROGRAM DATA

This design compares estimated data projected from time periods prior to the program with actual post-program data. Effects caused by the program are measured as the difference between these two values.[103]

Normally the projections from previous data are based on time trends. This design is applicable when an underlying trend existing over a period of time could be expected to have continued had the program not been introduced. However, this design has the same weaknesses as all trend projections have; that is, lack of power to consider changes in background factors other than the program itself, and to foresee turning points in cyclical developments.[104]

Since the data which will be used for measuring the evaluative criteria in this study are not of a strictly quantitative character, but have as well qualitative dimensions, the use of trend projections in this case will be less suitable.

4.4. BEFORE VS. AFTER PROGRAM COMPARISON

This design compares the outcomes in the treatment group, expressed in terms of objective fulfilment at two points in time - immediately before the program was implemented, and at some appropriate time

after implementation. The effects of the program are measured as the difference between these two values.

This is one of the simplest and cheapest evaluative designs, at least in theory, and it is therefore one of those most often applied. It can be employed in two different ways. The most mechanical version is to carry out the before-after analysis without further considerations. In this case the implicit assumption is that no change has taken place in any other factor influencing the evaluative criteria except the program activities. This is a very restrictive assumption, which is fulfilled only under static conditions. Such an application of the design is therefore more appropriate when the duration of the program is short and of narrow scope.[105]

If major outside changes have taken place during the program period which might affect the outcome of the evaluative criteria, the evaluator has to attempt to identify their existence and impact. Furthermore, if such external factors are of considerable impact by comparison with program effects, it might be very difficult to isolate the program effects from the effects of outside factors.

In some cases this design may be difficult to apply because there is a lack of relevant experiences to be used for comparisons. If, for example, we are to measure the effects of a certain service upon the firm's export behavior, it might be troublesome to employ this design in the case of export debutants, for whom there is no previous export behavior to be used as reference. This problem becomes even more critical in the case where it is obvious that the export debut was caused by external factors not related to the program itself.

In the case of exporting firms, on the other hand, it may sometimes be more feasible to use other time periods than the period directly preceding program implementation as a reference. If for example a certain firm, shortly after implementation of the ESP, is considering establishing sales in a new export market, an earlier event of the same character might be taken as a reference for comparison in preference to the firm's behavior during the period immediately preceding the program introduction. However, this method - applying corresponding, rather than directly preceding, events as comparisons - requires that information about the firm's behavior is available for a considerable period of time before program implementation.

Moreover, this approach of matching similar events at different points in the time of a firm's life may be misleading if we consider that the firm - or rather the decision-maker - has the capability to learn and draw conclusions from past experiences. We may assume that the internationalization process of the firm is a discontinuous rather than a continuous process, where more radical, intermittent changes alternate with periods of stability. Under such conditions we would need a deterministic, enough specified theory to be able to distinguish between predictable development and the effects of the stimulative measures. Unfortunately this kind of theory has never existed as regards the firm's export behavior, and it is also very rare in the field of business and management science in general. The only feasible way out of this methodological dilemma is therefore to apply several methods and measures in combination, assuming that results from several mutually independent approaches to solving the evaluative problem is better than using just one, regardless of whether the results are coinciding or conflicting.[106]

Selection of a research design is often guided by negative criteria; the design chosen minimizes disadvantages rather than maximizing advantages. The perfect method, perfect in both a theoretical and a practical sense, rarely exists. This is true also in the present case. Thus, the before vs. after program comparison, and the next design discussed below, are those which have been chosen for the present studies, not because they are the best ones, but because they have represented the most realistic alternatives in the situation. Even so, there have been, as the reports illustrate, considerable difficulties connected with the application of these designs in the present problem situation.

4.5. COMPARISONS OF PLANNED VS. ACTUAL PERFORMANCE

In addition to comparing actual behavior before and after a program has been implemented, it could also be useful to compare planned or targeted behavior with actual results. The effects of the program are measured as differences between these two variables.[107] This design, like the last one mentioned above, is relatively simple and cheap to employ, but at the same time equally weak and uncapable of indicating directly the existence and impact of outside factors affecting the evaluative criteria. As was the case with the design above, this weakness can to some extent be compensated for by explicit search for and identification of such other possible external influences.

Among the published applications of evaluation research this design is rather seldom seen. One explanation may be that most applied evaluative research has been concentrated around social programs, and that the objects of these programs - individuals or groups of individuals - to a more limited extent make explicit plans about the future than do business firms. Therefore this design might be more feasible in applications to commercial and industrial program evaluation.

However, not all firms plan for their future. In applications of this method, the problem of finding out whether a firm really has any substantial plans is directly related to the measurement problem of finding out the substance of such plans as do exist. This matter will be further discussed in the section below.

It is not, however, exclusively plans formulated before the decision-maker learned of the target program that are relevant in an evaluative context. Also of interest is the change in plans occasioned by his initial awareness of the program, and successive alterations during the program's period of influence. There are, in other words, at least three elements which can be compared. First, plans made prior to program implementation can be compared with plans made after program implementation, which will yield conclusions about the impact of the program itself. Further, the latter plans can be compared with actual behavior, which will yield conclusions about the influence of factors other than the program itself.

This is one of the designs which I have found feasible in the present evaluative case. One reason for this choice is, that plans incidental to the program's implementation were submitted by the firms in their applications for EAS.

4.6. MEASUREMENT PROBLEMS

The choice of evaluative design naturally has implications for the measurements to be carried out. The designs most difficult to apply give some compensation in the form of measurements which more easily can be carried out. Given the design of a controlled experimentation, the objects to be measured are not only more accessible, but the observations also have a good chance of being more reliable and valid than in other design situations. The quasi-experiment, although somewhat easier to arrange than controlled experimentation, gives fewer advantages in terms of measurements, but is still superior to the other designs mentioned.

But since the present situation has not permitted the use of any experimental design, it has been necessary to accept and try to make the best of the difficulties imposed by the remaining alternatives: comparisons of before vs. after program behavior and of planned vs. actual performance. These difficulties will be further discussed below.

4.6.1. BEFORE VS. AFTER PROGRAM COMPARISON

Theoretically, this design sounds very simple as far as measurements are concerned. Ideally it should only be based upon observations of the same aspects of a certain object at two points in time, before and after program implementation. In reality, this simplicity is almost never realized. Before a program is implemented, or more correctly, before the firms which are to be served by the program have been informed about its existence and content, there is usually no evaluator assigned to the evaluative task. This case is no exception to the rule. Consequently, I have not had the opportunity to make direct observations of pre-program behavior.

The assignment of an evaluator before program implementation may give him the opportunity to make direct pre-program observations, but in that case he will have the problem of deciding in advance which individual firms to observe. If he wants to keep the same individual subjects under observation both before and after program implementation, and if the subjects are assigned to the program by a self-selection process, he may be forced to make pre-program observations of all subjects in the target population of the program. In this case, taking the hypothetical situation where an evaluator had been assigned before program implementation, at least 490 observations would have had to be made to provide a complete data base.[108] Obviously, this would not have been a realistic approach in this measurement situation. But if only a sample of the target population is observed in advance of program implementation, there is always the risk that the actual treatment population will be dissimilar to the sample observed in advance.

If it is taken for granted that the evaluator enters the scene after program implementation, one measurement problem becomes that of deciding how the selected firms behaved prior to the program. As has been mentioned above, there are two ways to attack this problem. The easiest and most favorable case for the evaluator is when the aspects of past behavior he is to register have left traces of some kind, for example in the form of running records. However, records in business firms are almost exclusively built up around accounting systems, which primarily regard payments, costs, revenue, and investments as

objects of interest. These records are usually complemented by others concentrated around such things as sales, personnel, product quality, etc. But seldom are records kept of decisions made and activities undertaken, the object of interest when the firms' pre-program export behavior is to be registered. Running records therefore are not in themselves a sufficient source for the observations required in this study.

What remains is the retrospective report of the decision-maker; that is, statements about pre-program performance made after program implementation. This situation is not unique in any way; it is rather the rule than the exception in business research settings, where it is seldom possible to make direct observations. However, it still has several methodological implications, which can be divided into two main classes.[109]

The first difficulty is the risk for biases in the decision-maker's statement about the past, usually in the direction of congruence with his present views. Such tendencies could distort or spoil the entire evaluative effort, since actual program effects may be hidden behind no-effect results. The evaluator must therefore be very cautious to protect himself against this risk. One way to do so would be to make several interviews with different people in the same firm, assuming that they do not have the same biases. In our case, when only one individual in each firm normally is actively working with decisions about export behavior, this is not a relevant solution. But the subjectivity in his views can to some extent be reduced if questions are concentrated around objectively measurable events - like orders, travels, and contacts - rather than upon attitudinal and judgmental statements - like opinions, intentions, and expectations. A combination of both "hard" and "soft" measures can also be fruitful: for example, beginning an interview with the former and closing it with the latter type of questions. Such an approach would make it possible to gauge the consistency in the reports.

The second problem is derived from reactivity effects caused by the measurements. Since the questionnaire and the interview have been the principal data collecting methods available for this study, it is important to be aware of the well-known fact that they occasion reactivity effects in the observed individuals. Especially in evaluative studies, when the interviewed decision-maker may get the impression that his answers and attitudes can affect not only the short-run allocation of benefits to his firm, but also the long-run design of the total program, it is obvious that the question of reactivity is a crucial one.[110]

Interviews and questionnaires themselves also involve considerable risks for incorrect representation on the part of the investigator, for example through his selection as to what shall be observed, and through his biases in recording actual observations.[111]

In this study efforts have been made to neutralize some of the reactive effects upon the subject. One way has been to compose interviews and questionnaires in such a way that several coinciding questions have been inserted, although formulated differently and from different view-points. The purpose has been to allow comparisons and checks of the consistency in replies made, assuming that biases on the part of the subject will appear in the form of inconsistencies

Another approach has been to search for non-reactive measures; that is, measures that are not affected in any way by the observation.[112] The main sources for non-reactive measures in business research settings are running records. But as has been explained above, they usually did not fit the data requirements; opportunities to employ non-reactive measures have therefore been very limited. It has been possible to adopt similar measures only in a few instances. As an example, the case can be mentioned, when it was desirable to measure the extent to which written market reports had been read by the interviewed decision-makers. Control questions about the basic structure of the content in the reports soon sorted out those who had not to any considerable extent read them. But in this case, the check was possible only because the report had been prepared outside the firm and was known in detail by the interviewer.

The general problem connected with application of non-reactive measures in studies concerning firms or other organizations is that they are normally closed for the outside observer or researcher. The basic idea behind non-reactive settings is that the observer is hidden to the observee, and this situation never exists when the observer must ask for permission before he can make his observations, as is the case in studies of organizations. Even if the evaluator is allowed to go through running records and use them as a check against interview data, the awareness of this on part of the subject may disturb the relations between him and the interviewer, making him feel distrusted and suspect. According to my opinion, this is an important reason that evaluations of commercial policy programs are much more difficult and may lead to weaker and less significant results than, for example, evaluations of social programs.

If the evaluator, in spite of all the difficulties mentioned above, is able to conquer the hardships and map out a description of firms' past behavior which is reasonably valid, the problem of describing their behavior after program implementation still remains.

Usually it is supposed that the evaluator is in the position of a participant-observer as far as post-program behavior is concerned. But even if this is physically possible, it is usually not recommendable from a research point of view. In the present case, the consequence of participant observations would be that the evaluator with limited resources carried out a few single, comprehensive case-studies, at the same time sacrificing the opportunities to measure effects in a wider sample of firms. From an evaluative point of view this would be a serious drawback, reducing the validity of judgments about program effects.

Therefore, in reality even measurements of post-program behavior must usually be based more or less upon questioning of the decision-maker. Consequently, all the hardships mentioned in connection with measurements of pre-program behavior remain, although to a lesser degree. Since the questions then refer to present or recent behavior, everything is a little bit easier. The decision-maker's memory is more accurate, and he has perhaps not had time to adopt strong predispositions or biases. It is easier for the evaluator to check the validity of the decision-maker's statement of his views; many more control opportunities are available. In this present case it has, for example, been possible to compare the content of remarks made by the decision-makers in firms with the experience of the program managers, who usually have had close contact with the firms serv-

ed by the program. If these two parties' views about "hard" facts do not coincide, this condition is a warning to the evaluator, revealing possible weaknesses in the measurements. In the case of post-program measurements it is usually also easier to find explanations for such observed divergences in information from different sources.

4.6.2. COMPARISONS OF PLANNED VS. ACTUAL PERFORMANCE

The only difference between this design and the one just discussed above, from a measurement point of view, is that the observation of pre-program behavior in the case above, is replaced by observation of pre-program plans.

As has been mentioned above, this design presupposes that formal plans are drawn up in the firm. To find out whether this is the case is a true measurement problem. There are clear cases where the results of a plan are put on paper, for example in the form of a budget. But if we depart from the area of production, and raise the time-horizon over more than a year, written plans actually become rare, at least in the small and medium-sized firms which have been the objects of these studies. In these majority of cases it becomes crucial to determine whether plans of some detail and explicit formulation really exist in the mind of the decision-maker, or if he merely refers to a "plan" in the sense of a set of loose ideas or intentions. It is, of course, difficult to make a theoretical distinction between, on the one hand, loose ideas or intentions and, on the other hand, formal plans; but even if a clear operational criterion were at hand, it would be difficult to measure it. In the application form for EAS, the applicant has been requested to describe briefly the export plan of his firm for the coming years. Detailed plans among the answers to this question have been rare, and many applicants have disregarded the question entirely. Nevertheless, in those cases where the question has been answered, the response may provide an indication as to whether any plan really exists. When in doubt about this, the information given in applications may also be used as a basis for comparisons to data collected directly in the course of the evaluation.

Also in the case of this design it has to a great extent been necessary to rely upon retrospective reports of the decision-makers, stated after program implementation. It has thus been necessary to ask, in the same interview, both about pre-program plans and the present situation. There is, of course, a considerable risk that what is referred to as plans becomes biased toward congruence with the observed outcome.[113]

This is, from the researcher's point of view, an unsatisfactory situation. To the extent that plans do not leave researchable traces, in the form of documentation, it may be difficult and misleading to reconstruct the changes in plans through time. As when measuring the firm's pre-program behavior by retrospection, there is no panacea to the solution of these measurement problems. Also in this case, duplication of coinciding questions spread through the interviews in order to make comparisons of consistency possible, and attempts to apply non-reactive measures, are the only means available to compensate at least partially for the many shortcomings.

4.6.3. CONCLUDING REMARKS

It is obvious that an evaluation under the circumstances and in the settings which have just been described will incorporate many weaknesses and deficiencies in its results. But that is not sufficient reason for never making any evaluations of commercial programs. Evaluative research will give results which are a better base for future control of commercial programs than any intuitive opinion, based upon unsystematic observation of simple relations between the program and the fulfilment of its goals.

5. SUMMARY OF THE RESULTS FROM THE EVALUATIVE STUDIES

Four individual evaluative studies have been carried out within this project, and their results will be summarized below.

5.1. THE ECONOMIC ROLE OF THE EAS

The object of the first study carried out was the Export Activity Subsidies (EAS).[114] Taking as point of departure the export projects specified in the applications for EAS's, the purpose of the study was to describe and explain the economic effect of the subsidies upon the conduct of these projects. The intent was to evaluate the economic influence of the EAS's upon the scale of activities chosen by the firms.

In the model developed for this study the firms are assumed to have goals which can be expressed in terms of cost, revenue, and risk. They are supposed to seek satisfying profits, determined by revenue and costs. In the process of choice between different alternatives for action, risk is assumed to play the role of a restriction; risks exceeding a certain size are avoided.

The set of export activities upon which the firm has based its application for EAS - referred to as an export project - has consequences in terms of expected costs, expected revenues, and a risk that the money devoted by the firm for the activities will not be recouped within a required period of time (the pay-off-demand). The firm is assumed to be able to estimate with considerable certainty the costs related to the activities of the export project. However, it is further assumed that the estimate of future sales rate and thereby also gross revenue is much more difficult to make with any significant degree of certainty. The expected pay-off-period of the export project will then depend upon the assumptions made concerning sales and revenue per time period. The decision-maker is assumed to take into consideration both a normal and a minimum expected sales rate, making it possible for him to compute an expected pay-off-interval between two points in time.

The EAS's are regarded as economic contributions to the projects among which they are distributed. Receipt of an EAS will always tend to move the expected pay-off-interval closer to the present along the time axis. The degree of influence exerted by the EAS on the firm's scale of export activities in the project is assumed to depend upon the original - that is, pre-subsidy - relative positions

along the time axis of the firm's expected pay-off-interval, and its pay-off-demand.

The largest influence of the EAS is assumed to take place when both extremes of the originally expected pay-off-interval fall beyond the pay-off-demand - in a more distant future on the time axis. The EAS's are further assumed to exercise some influence upon the firm's scale of export activities when the pay-off-demand falls within the expected pay-off-interval. On the other hand, the influence is assumed to be none or very small when the expected pay-off-interval falls closer in time than the pay-off-demand.

In an empirical study attempts have been made to test the conclusions derived from the model. Among a total of 23 firms which had received EAS's during both of the program's first two years, twelve firms were selected for interviews.

In the first part of the study, the export projects, as specified in the application blanks from the firms, were examined. The expected contribution profits during the first year of the planned export projects were calculated. The results, based upon what can be considered a "normal" calculation concerning the expected sales rate, indicate that at least ten firms out of eleven expected a positive contribution profit within the first year of their planned export projects; that is, the upper limit of the pay-off-interval in their cases does not exceed one year. Among eight firms able to explicitly specify a pay-off-demand, six firms state that it was not below three years. In their case, the EAS's cannot, according to the model be assumed to exercise any considerable influence upon the scale of activities. Two firms stated a pay-off-demand of about one year; in these cases it is possible that the EAS has had some influence upon their scale of activities. Although four firms have not been able to specify a pay-off-demand, it is unlikely that their practice is to demand investment recovery within one year. The possibility that their scale of export activities has also been affected to some extent by the EAS cannot be excluded.

In a second part of the study, the evaluative design which compares planned vs. actual performance has been applied. Specifically, the comparison here has been executed between three different situations:

(a) each firm's planned scale of export activities and requested level of EAS, as specified in the firm's application.

(b) each firm's actual level of export activities at the level of EAS actually received; in almost all cases, the subsidy was less than had been asked for.

(c) each firm's hypothetical scale of export activities, according to a judgment made by the decision-maker concerning a situation in which no EAS had been distributed.

The results indicate that at the actual level of EAS - point (b) above - as compared to the amount of subsidies for which the firms had applied - point (a) - nine firms fully realized their export activities at the planned scale, while three firms reduced their planned scale of export activities. Totally, the twelve firms had reduced their planned scale of activities by 17% of the amount of reduction in actual subsidies as compared to the amount they had applied for. The results indicate that the firms have not in this interval been very sensitive to the reduction of the EAS. Probably,

they have applied for larger sums of EAS than they have expected to receive.

Perhaps more interesting is a comparison between the actual scale of activities in connection with the amount of EAS received - point (b) above - and a hypothetical situation in which no subsidies had been distributed - point (c). According to the results, nine firms out of twelve would have reduced the scale of planned export activities had no subsidies been distributed, while three firms would have realized their activities to the planned extent. None of the planned projects would thus have been entirely dismissed. Taken together, the twelve firms would have reduced their scale of planned activities by 66% of the reduction in subsidies.

Since, however, most of the planned export activities would have remained even in the total absence of EAS, the elasticity of export activities in relation to the subsidies is only +0.19 when the actual distribution of subsidies is compared with a situation in which no subsidies were distributed at all.

The results of the second part of the empirical study correspond to the conclusions reached from the model and the examination of the project plans in the first part of the study. The conclusion is that the degree of influence of the EAS upon the scale of export activities among the observed firms seems to have been relatively marginal. The study has, however, only regarded the subsidies and their influence on export projects already planned and explicitly formulated in the applications. Since it is evident from the study that the EAS may affect the export behavior of the firm in a wider context, a subsequent study has observed the planning process and situation behind the export projects specified in applications for subsidies.

5.2. THE ROLE OF EAS FOR FIRMS' EXPORT BEHAVIOR

In the second study evaluating the effects of the EAS, the point of departure has been the hypothesis that export stimulation measures may in differing degrees affect the firms' export behavior depending on differences in their previous export experience.[115] The underlying assumption is that firms face varied kinds of problems during successive stages in their internationalization processes. The influence exerted by a certain export stimulation measure consequently depends upon how well it fits the problem situations of specific firms.

The purpose of the second evaluative study was to describe and explain the influence exerted by the EAS on the export behavior of the firms applying for subsidies. Special attention was paid to the role which the firms' degree of previous export experience might play in the determination of this influence.

The basic assumption was that decision-makers planning for export activities will be faced with a higher degree of perceived undertainty concerning the consequences of considered action alternatives compared with the situation when they plan for domestic sales activities. Foreign markets are not only less well known to the decision-maker than is the home market, but they are also in certain respects different from the latter.

It is not, however, the perceived uncertainty in itself that is of primary interest when we are to analyze and explain the decision-maker's behavior, but rather his perceived risk. The latter concept is a function of both his perceived uncertainty and the perceived value of the consequences which are at stake in a certain decision situation. The decision-maker is assumed to be influenced by the perceived risk in the sense that he is unwilling to choose alternatives which involve risks exceeding a certain size.

The uncertainty connected with the planning of export activities can be regarded as a function of the firm's previous export experience. Distinction is made between general and market-specific export experience. Some of the peculiarities of export operations are probably the same regardless of the market, for example, formalities connected with the transaction of goods and payments, and methods of collecting information. General export experience may therefore reduce the decision-maker's perceived uncertainty when he plans for future export activities. But many characteristics of individual countries are unique, and a low degree of perceived uncertainty therefore also presupposes relevant market-specific experience.

The perceived uncertainty when the decision-maker is planning for export activities depends as well upon the market and product chosen. The decision-maker in a firm which has applied for EAS is assumed to be in a situation where a preliminary choice of market and product for export activities has already been made.[116] His perceived risk is then regarded as a function of these two situation variables, the value of the consequences connected with the activities considered, and the firm's previous export experience, or

$$R_j = f(M_j, P_j, C_j, E_g, E_j)$$

where

R_j = perceived risk in connection with considered export activities in market j

M_j = market characteristics of market j, including its psychic distance to the firm's domestic market (situation variable)

P_j = characteristics of the product to be marketed in market j (situation variable)

C_j = perceived value of the consequences which are at stake in connection with the activities considered (action variable)

E_g = previous general export experience (background factor)

E_j = previous market specific export experience from market j (background factor)

When EAS's are distributed to a firm, they influence mainly the C_j factor in the expression above; that is, the value of the consequences which are at stake for the firm are ceteris paribus reduced in relation to the amount of the subsidy. However, the question of interest for this study has been, to what extent a firm which is given a subsidy increases the scale of its export activities. This elasticity of export activities to subsidies is assumed mainly to be a function of the firm's previous export experience.

This may be illustrated by two extreme cases. In the first one, the decision-maker in a firm having no, or very limited, previous export experience is assumed to face a high degree of perceived uncertainty in planning for export activities. Accordingly, he will have to plan

for activities which keep the consequences at stake at a low level, since he is not willing to accept a risk that exceeds a certain amount. In view of the fact that the value of the consequences in this case is a most critical factor in the planning of export activities, the decision-maker is assumed to have a high propensity to increase the scale of export activities wholly or partially in relation to the amount of an EAS.

With increasing general export experience the decision-maker is assumed on the average to perceive a lower degree of uncertainty about the results of planned export activities. He will thus be able to increase the scale of these activities at a constant risk level. He is still assumed to increase the scale of export activities wholly or partially in relation to the amount of a subsidy, although to a smaller extent than in the former case.

But a very low degree of perceived uncertainty presupposes a high degree not only of general export experience, but also of market specific experience. In this situation, the value of the consequences of considered activities is assumed to play a more limited role in the planning process, and therefore a subsidy is not assumed to significantly affect the scale of export activities carried out.

The assumptions made about the elasticity of export activities to EAS have been considered as hypotheses. Although not rigorously tested, they have been compared with the results of an empirical study, where decision-makers in a sample of 16 among a total of 66 firms which applied for EAS fiscal year 1972/73 have been interviewed. The sample represents firms with different degrees of previous export experience and of different sizes. Firms whose applications were rejected were also included.

Previous export experience is an explanatory factor in the model, and it has therefore been necessary to find adequate operative indicators for this concept in the study. The theoretical concept is derived from the total sum of previous export activities carried out. But since export activities are practically never registered in any running record in the firm, this concept is almost impossible to measure empirically. A selection of indicators has therefore been used, measuring the firm's degree of commitment to foreign markets from the aspects of the absolute and relative size of export sales, its country coverage generally and in relation to the specific market mentioned in the application for EAS, and finally, sales channels used in export markets. Totally, four indicators have been employed for measurement of the theoretical concept of general and market-specific export experience. The derivation of these four indicators allowed a cluster analysis of the firm's previous export experience to be carried out. Those firms having similarities in their export backgrounds, as measured by the indicators, were grouped into clusters. These clusters were then subjectively ranked in order of their average degrees of export experience, and this ranking constituted the basis for a subsequent analysis of the data obtained through interviews with decision-makers of the individual firms.

The export activities specified in the applications of the firms usually include only such activities as are eligible for subsidies. Consequently it has been necessary to regard the considered export projects in a wider context - one which also includes other activities closely connected with those that have been specified in the applications.

The results of the empirical study indicate that decision-makers in the more export-experienced firms in the sample have received stimuli for their export projects exclusively in connection with previous export activities. Their main information sources have also been based upon previous export experience as well as personal contacts gained in these connections. Usually they have only considered one action alternative as regards the strategic shaping of the project; that is, the choice of product, market and sales channel. Since all of them had initiated their planned projects before the decisions about distribution of the EAS were made, it seems that the subsidies have not had any considerable influence upon the strategic decisions concerning these projects. The administrative decisions about the shaping of the projects - for example, concerning the scale of export activities - do not appear to have been decided or planned when the projects were initiated. Consequently, it has in this context not even been possible to apply the evaluative design which compares planned and actual behavior; instead it has been necessary to rely upon the subjective judgments of the decision-makers about which export activities would have been realized had they not received any EAS. Half of the more export-experienced firms have stated that the scale of their export activities within the frame of the observed projects has been unaffected by the EAS. The other half of this group of firms have stated that they would have marginally reduced their scales of export activities in the absence of an EAS. Advertising activities and participation in trade fairs would have been the principal objects of such reductions.

Most of the less export-experienced firms have applied for EAS as part of a program to build up new market representations, inspired by the results of search for new export opportunities. Although several of them have considered more than one alternative for the strategic shape of the projects - choice of product, market, and sales channel - a majority of the firms had initiated their projects before they knew whether their applications had been approved. Therefore, even in the case of these firms, the EAS's do not seem to have exerted any considerable influence upon the existence or strategic shaping of the projects. When the projects were initiated, however, decision-makers in firms which lacked market-specific experience perceived considerable uncertainty over the question of whether the necessary preconditions for a successful introduction existed in the market. A majority among the less export-experienced firms have stated that they would have marginally reduced the scale of their export activities had they not received any EAS. But only two of them would have reduced their activities to the same extent that the requested subsidy was not received. As in the case of the more export-experienced firms, this group would have sacrificed principally advertising and trade fair participation.

Although the hypotheses have not been rigorously tested, the results indicate some support for them. Consequently, there is no reason to reject them. Although the EAS's seem to have influenced the scale as well as the content of export activities in most cases, the degreee of influence appears to have been relatively marginal. A majority of the firms have only increased their scale of activities marginally in relation to the amount of the EAS. The observation that activities of advertising and fair participation usually were increased in relation to subsidies may be explained by the decision-makers' attitude towards them as risky.

In view of the sampling procedure, the results may be considered as representative for the firms which applied for EAS 1972/73. Since most of the firms subsidized this particular year have also received EAS's during subsequent years, the results concerning them may also be valid for the remaining program period. Those least export-experienced firms whose applications were rejected have seldom applied again, and the potential influence the EAS might have had on them has therefore been non-existent during subsequent years.

5.3. COLLECTIVE MARKET INVESTIGATIONS

The collective market investigations have been the object of one study, which had the purpose of describing and explaining their influence on the participating firms' export behavior.[117]

The Collective Export Activities (CEA) within the ESP constitute a means for the firm to engage in partial, temporary co-operation with other participating firms in the execution of export activities. As a result of this co-operation the individual firm is enabled to execute a given level of activities at a reduced cost or an increased level of activities at a given cost. But the compulsory co-ordination with other participating firms implies as well some disadvantages for the firm; when these drawbacks exceed the benefits it is assumed that the firm will disinvolve itself from these arrangements.

The risk model developed in the preceding study has also been employed in this one. A decision-maker, when initiating the planning of export activities, is assumed to perceive a considerable uncertainty about the outcomes of different alternatives. Before he is able to make any decisions about export activities involving considerable resources, he must usually perform activities which tend to reduce his uncertainty. The normative literature in export marketing prescribes one remedy in this situation; a systematic collection of information about the foreign market is often regarded as a prerequisite for a successful performance of export activities. In reality, however, as demonstrated by many previous studies which have been carried out both in Sweden and abroad, this kind of systematic market investigation is seldom executed by small and medium-sized firms with little previous export experience. Instead the decision-makers usually rely upon information which has been intuitively collected in connection with travels, personal contacts, and intermediaries in the sales channel, etc. There may be several reasons for this observation.

One hypothesis is derived from the perceived-risk model. In terms of this model, a systematic market investigation may reduce the decision-maker's perceived uncertainty. But at the same time, the cost of the investigation increases the consequences at stake. If the decision-maker considers the ratio between uncertainty reduction and increase of consequences as unfavorable, this might explain a low propensity on his part to carry out systematic information collections.

Another hypothesis is that the decision-maker's perceived uncertainty about the outcomes of activities in foreign markets is not adequately reduced by systematic market investigations. Such a tendency may be explained by the observation that less export-experienced firms usually seek to penetrate only a small share of the total market for a product in a foreign country. In this situation, a systematic market

investigation may provide mostly irrelevant information about the total market; the description level does not permit the decision-maker to identify facts about the smaller segments which he considers for export activities. Another explanation is that decision-makers in small and medium-sized firms, having little or no previous export-experience, may have difficulties in interpreting information from systematic market investigations, written down in formal market reports.

An empirical study has been carried out by interviews with decision-makers in 19 firms which participated in a collective market investigation called ECK - Export Action for Central Europe, Clothing. Practically none of the participating firms had previously exported in any considerable scale to the considered countries - West Germany, Switzerland, and Austria. An evaluative design has been employed which compares the information collection behavior of the firms before and after the collective activity. The information collection performed by the firm in the last previous situation of a similar kind - that is, an introduction into a new foreign market - was used as reference. For presentation of the results, the firms have been classified according to their previous export-experience, using a similar technique as in the preceding study.

In accordance with earlier findings, the results indicate that the firms, in their previous preparations for introduction to new foreign markets, had collected information mainly through personal contacts with agents or representatives and through visits in the prospective markets. Most of the interviewed decision-makers state that they had made several mistakes in connection with this previous market introduction, and it is obvious that many of these mistakes could have been prevented had they had access to more complete information.

The degree to which the decision-makers have exploited the information supplied through the ECK has been measured by their own judgments recorded on an ordinal scale. Distinction has been made between different types of services supplied by the ECK: namely, market reports, list of customers, and individual services. The results indicate that most firms have considered these services valuable or very valuable. One exception is that the least export-experienced firms have not to the same extent considered the market reports as valuable. They have only made full use of those parts of the reports which deal with retailers' purchasing behavior and technical regulations.

A large majority of the decision-makers stated that ECK has supplied them with more complete information about the markets of current interest than they had ever previously had in preparation for an introduction to a new market. Those who held this opinion also believed that they have been able to reduce their own efforts for information collection due to the ECK. Almost all of them (14 out of 19) also state that the information supplied to them had an influence upon their subsequent choice of export activities in these markets.

From the results of the study it is obvious that the collective market investigation has meant considerable benefits to the participating firms. The fact that a large majority of the firms have been able to make full use of the information supplied to them indicates

support for the first hypothesis mentioned above. Although those firms which had very limited or no previous export-experience did not make full use of the market reports - a result which can be interpreted as support for the second hypothesis - they have drawn considerable benefit from those parts of the reports which treat the behavior of potential customers in the markets, as well as from lists of customers and individual consultant services.

This collective market investigation seems to have positively affected the firms' entire information collection activities, and certain results indicate that this may have important effects on their subsequent choices of export activities.

5.4. COLLECTIVE EXHIBITIONS

In a subsequent study the purpose has been to describe and explain the influence collective exhibitions have had upon the export behavior of participating firms.[118]

The analysis carried out in the preceding study about the consequences of collective export activities for individual participating firms, has been taken as a frame of reference for this study as well.

The general model employed earlier, explaining the role of previous export-experience for the decision-maker's uncertainty and risk perceptions, has also been useful for this study. Derived from that model and from the results of the preceding studies is the assumption that decision-makers in firms having very limited or no previous market-specific experience may consider collective exhibitions mainly as an info-in-activity, providing information about buyers in the markets and their preferences. On the other hand, decision-makers in more market-experienced firms are assumed to employ collective exhibitions mainly as a channel for info-out-activities.

When trying to measure the effects of collective exhibitions, as of other similar CEA's, the main problem of interest is not whether the firms would have performed similar activities even in the absence of the stimulation program. Collective exhibitions, for instance, would probably not have been arranged only on the initiative of individual firms; but this is not the most important consideration. In terms of both time and resources, collective exhibitions are very limited activities, and presumably no firm can expect to realize stable export sales of any considerable size exclusively by participating in them. The interesting question for evaluative purposes therefore is to determine to what extent participation in collective exhibitions has been combined with other individual export activities in a way which may develop the firms' future commitments to export markets.

For less market-experienced firms, which are assumed primarily to participate in order to seek information, the collective exhibition may represent all or almost all activities in the market during the period. But if this activity fills its function as an adequate info-in-channel, the decision-maker's perceived uncertainty about consequences of export activities in the market should be reduced. As a result of this, he is either assumed to expand his export activities in the market during a subsequent period, or to reduce them or withdraw from the market if it does not seem to be attractive. On the other hand, if the collective exhibition does not fill its func-

tion as an information channel, and the decision-maker's uncertainty is therefore not reduced, he will presumably either continue his activities on a low level or withdraw.

The more market-experienced firms are assumed to employ collective exhibitions primarily for info-out-purposes, as a complement to their own activities during the same period.

Two empirical studies have been carried out. The first one, based on responses to questionnaires sent out to all of the approximately 60 firms participating in collective exhibitions during autumn, 1973, attempts to determine whether the description in the model about the role of the exhibitions seems adequate. Although the model was not completely tested, the study and its results give some support for it and its conclusions. Decision-makers in less market-experienced firms have in a slightly higher proportion stated information collection motives for their participation than have more market-experienced decision-makers. The former, to which the collective exhibitions were more often the only activities carried out in the market during the period, have also more generally been able to specify valuable information collected in connection with these activities. They have also been more likely to come in contact with local buyers whose identity had been previously unknown to them. This may be one reason that these firms, to a larger extent than the more market-experienced ones, stated that the experience drawn from the exhibitions would cause changes in their subsequent market plans.

The second empirical study has applied the before vs. after program comparison for evaluating the role that collective exhibitions have played in the participating firms' export behavior. The series of ladies' apparel exhibitions in Great Britain, where a total of twenty firms participated in five separate arrangements during the period 1972-1974, was selected for the study. The aim has been to compare the situations of these firms in the British market before the exhibitions were introduced (1971), and some time after their introduction (1973). It has only been possible to collect background data from fifteen firms, concerning the size of their export to, and sales channels used in, the British market. These variables have been considered as indicators for the scale of their own export activities carried out in the market.

An analysis of the continuity in participation demonstrates that the firms may be divided into two groups of nine firms each. In one of them, called the drop-outs, the firms have participated only once or twice, and none of them in the last arrangement. In the other group, of frequent participators, the firms have participated in at least three separate exhibitions, including the last one during the observation period.

A comparison of the characteristics of the firms in both groups as exporters to the British market indicates that the majority of the frequent participators had had a considerable export to the market with their own permanent representations, before the collective exhibitions were introduced. Most of these firms have also considerably raised their export to the market during the observed period. These firms are assumed to have carried out considerable individual export activities during this period, and according to the conclusions derived from the model, the exhibitions have mainly served as complementary info-out-activities. The fact that these firms fre-

quently have participated indicates that they consider the exhibitions as a valuable complement to individual activities as a means for increasing their export sales.

The drop-out firms have ceased to show interest in the collective exhibitions after having participated only once or twice. The situation of these firms in the British market has been very static during the period 1971-1973 and has not undergone any considerable change. Most of the firms have had an export volume to the market of less than 100 Thousand Swedish Crowns each, and almost none of them have had permanent market representatives. It is obvious that this group of firms has only to a very limited extent carried out export activities in the market during the observed period. There may be several reasons which can explain their behavior. The model used implies two possible explanations: that the collective exhibitions have not served as an effective info-in-channel which reduces the decision-makers' uncertainty; or that the participators have found the market inappropriate for their own goals. Although both explanations are possible, the former generally seems to be the more likely. The conclusion is that the collective exhibitions themselves do not seem to function as an effective info-in-channel for this kind of firm. A hypothesis is that they might better function in this role if they were combined with other more continuous information collection and market planning activities, such as the collective market investigation evaluated in the preceding study.

5.5. CONCLUSIONS AND SUGGESTIONS

It is important to remember that the results of the evaluative studies carried out can only directly be used as a basis for judgments about the present program in the way it actually has been performed. Some of the results, however, indicate suggestions concerning changes and modifications in the program design which may lead to a higher effectiveness in the achievement of objectives than has hitherto been realized. Some suggestions will be made here; they should be considered as hypotheses, to be tested by future program modifications and subsequent adequate evaluation research.

An important finding from the present study is that export stimulation measures affect firms' export behavior in different ways due to differences in their degrees of previous export experience. Consequently, an export stimulation program should first identify the target group in terms of its previous export experience. Measures should then be taken to taylor the program to that target group's needs. This has not been the case in the program presently evaluated. The objectives of this program have not explicitly identified certain target groups of firms, and the same measures have been offered all firms in the considered branches of industry. There is not only the risk that such measures may prove to be ineffective; it is, as well, difficult to evaluate them since the objectives are imprecisely formulated.

The results of the present evaluation indicate that the EAS's have had their largest degree of influence upon firms with little or no previous export-experience. At the same time, an insignificantly small proportion of the total number of firms in this category has applied for the subsidies, and many of those which have applied have

had their applications rejected. The justification for the rejections has usually been that the plans for export activities expressed have been considered by the Board of Commerce as underdeveloped or unrealistic. At the same time the present study has indicated that firms usually develop as exporters through a trial and error process. Those firms that are well established as exporters today have developed to this position through a gradual process.

However, if it should be considered desirable that the internationalization processes of the less export-experienced firms be stimulated, EAS alone is probably not sufficient as a means to accomplish this end. Some of the results of this present study indicate that even this group of firms has derived considerable benefit from a collective market investigation. This evidence suggests that a less export-experienced firm which has been offered collective market investigations and individual consultant services might be much better prepared to formulate an approvable application for an EAS. A hypothesis is that individual subsidies, like the EAS, in combination with and preceded by collective market investigations and individual consultant services, would have a more considerable impact upon the export behavior of firms with little or no previous export experience. Although this may seem to be an expensive way to promote export among these firms, there is no basis of any kind for judgments about its ratio of efficiency; that is, the cost for every unit of future exportation promoted.

Another conclusion of the present study is that the EAS's have had an insignificant influence upon the behavior of firms already having considerable export-experience. This is not to say that this kind of firm faces no problems in its export operations, nor that their export activities cannot be further promoted. The only conclusion which has been made is that the EAS's, in the way they have been performed, seem to be inadequate for the purpose. At the same time there is evidence to suggest that risk taking is a most critical factor in most stages of the internationalization process of the firm. But while the uncertainty factor seems to create most of the problems for less export-experienced firms, it is probably the value of consequences at stake which constitutes the most significant resistance to further expansion among the more export-experienced firms. Although they may face situations which involve low degrees of uncertainty, the consequences may have such an extent that the existence of the whole firm might be threatened by unfavorable results. The EAS's have probably in this respect involved amounts which are too small to exert any significant influence. On the other hand, it would conceivably be a waste of money to distribute subsidies of a considerably larger size. A hypothesis is that export stimulation measures which share the risk taking involved in the expansion of export among export-experienced firms would be more effective than the present EAS's have been. It is proposed that such measures should take the form of an insurance or guarantee that protects the firm against a considerable share of the losses which, under unfavorable conditions, could follow from significant export activities. A similar export stimulation system has been performed in France since the 1950's[119] with what appears to be encouraging results. Unfortunately, however, in common with most commercial and industrial programs, it has not been subject to any serious evaluative efforts.

NOTES

1. The Riksdag is the Swedish Parliament.
2. See Olson (1974, 1975b, c, d, e), and Olson & Wiedersheim-Paul (1974).
3. The official committee took the name "TEKO-utredningen".
4. TEKO-utredningen (1969).
5. Government initiatives or bills are in Swedish called "propositioner", and will, in accordance with official usage in English translation be called "propositions".
6. Kungl. Maj:t Prop. (His Majesty's Proposition) 1970:41.
7. SOU 1970:59-60.
8. Kungl. Maj:t Prop. 1971:1, bil. 15, 1972:46.
9. The directives given by the Secretary of Industry to the Government committee, "TEKO-utredningen", are reprinted in SOU 1970:60, pp 5-8.
10. Kungl. Maj:t Prop. 1970:41, p 34.
11. Ibid.
12. Ibid., pp 40-45.
13. Naturally, only firms located in Sweden and products produced in Sweden are able to qualify for EAS.
14. In Swedish officially entitled Kommerskollegium.
15. Among other kinds of CEA's, arranged tours in Sweden for specially invited purchasers from export markets could be mentioned.
16. The few exceptions to this rule that the arrangements are open to all firms have been motivated by the fact that certain firms either have had product lines not considered to fit a specific collective arrangement or that they have produced a considerable share of their production abroad.
17. Only about 10% of the budget for credit guarantees has been utilized.
18. Services from the Trade Commissioners have also been a part of some collective market investigations.
19. See for example Johnson et al. (1963), ch 4; Buckley (1967), p 173; Ramström (1967), pp 54-58; Churchman (1968), ch 1-3.
20. Bonini et al. (1964), pp 91-92.
21. Danielsson (1963), p 2; Johnson et al. (1963), p 57.
22. Johnson et al. (1963), pp 58-59.
23. Ibid., p 60.
24. A comprehensive overview of the evaluation research area is found in Caro (1971).
25. Suchman (1967a), p 82, (1969), p 15.
26. Caro, op.cit., pp 2-3.
27. Compare with the definition of a control system on pp 13-14.

28. Wholey et al. (1970), pp 23-24; Hatry et al. (1973), pp 8-9. Among the many similar definitions available can be mentioned those of Brooks (1965), Suchman (1967), Scriven (1967), Hyman & Wright (1967), Greenberg (1968), and Weiss (1972a).

29. Compare with the motives behind this study, p 7. The first motive corresponds to Brooks' first and second arguments, the second is partially the same as Brooks' third reason, and the last motive, both of Brooks' and my own, correspond to each other.

30. Suchman (1967), p 75; Weiss (1972a), p 6.

31. The value formation process in the present case is discussed in section 2.7. below.

32. Clark (1972), p 8.

33. Weiss (1972a), pp 6-9.

34. For more elaborate illustrations of action research, see Glaser & Strauss (1967), and Clark (1972). For further discussion about action research applied to evaluative problems, see Weiss (1972b)

35. See Schulberg & Baker (1968); Stevrin (1974).

36. This conclusion is, of course, based upon the choice of system delimitation made. Although it may seem natural to define systems on the level of organizations in this case, it is, of course not so easy to apply this definition in reality. Many organizations have relatively independent departments or divisions, which in this case should perhaps be regarded as systems of their own rather than as sub-systems.

37. Cf. p 17.

38. Caro (1971), pp 7-8.

39. During the program period, the yearly budget of the total support program and its subprograms has been included in Government's yearly budget, formulated in Statsverkspropositionen, bilaga 15 (proposition No. 1, appendix 15).

40. This group, under the guidance of Professor Sune Carlson, has included the author and Nils Aittamaa.

41. See Svensk Export No. 3, 1972, pp 6-27.

42. Usually universities are regarded as relatively independent bodies in the society, although they in Sweden belong to the public educational system.

43. The many problems which may arise from the fact that elements in an evaluative system belong to different organizational systems and also different professional groups have been illustrated in Caro (1971), pp 9-15, Rodman & Kolodny (1964), and Weiss (1972a), pp 113-121. The many problems originating from the relations between researchers and organizations have been excellently illustrated by Argyris (1958); see also Weiss (1972a), pp 98-107.

44. See Campbell (1969), p 410; Rivlin (1971), p 85.

45. Weiss (1972a), pp 98-99.

46. For further discussion, see Rodman & Kolodny (1964).

47. Weiss (1972a), pp 103-104.

48. Rossi (1967), pp 51-53.

49. Caro (1971), p 15.

50. Suchman (1967a), p 7.

51. This definition is similar to that proposed by Wholey et al. (1970), p 24.

52. Compare to the definitions on p 15-16.

53. Evaluative research case studies are presented in Caro (1971).

54. See e.g. Eliasson (1965), and Bolin et al. (1974), SOU 1974:102, Svensk Press.

55. OEO's model is presented in Wholey et al. (1970), p 62.

56. Cf. the quotation from Suchman on p 16. His view is very similar to the concept of Project Strategy Evaluation.

57. Wholey (1972), pp 362-364; Weiss (1966).

58. Weiss, op.cit.

59. It is my judgment that this feedback to program managers has not so materially altered the content of the target program as to render invalid the evaluation of the program's design.

60. See Caro (1971), pp 9-10, and Argyris (1958).

61. Since the program originally was planned to have a duration of four years, the decisions by the Government whether to prolong, change or discontinue the program would have had to be prepared after the third year. Practically speaking, this would have had the consequence that an evaluation which should be considered by the policy makers would have been able to encompass only the first two and a half years of the program. Although a great deal of data about the subsidies was collected at that time, it was too early to make any judgments about some of the collective arrangements, e.g. the integrated market campaigns.

62. For details of the Government decision, see Kungl. Maj:t Prop. 1975:1, bilaga 12, pp 32-37; bilaga 15, pp 66-77. For the preliminary evaluation report, see Olson (1974).

63. Letter from Kommerskollegium (Board of Commerce) to Handelsdepartementet (Ministry of Commerce) dated 1973-09-27.

64. Letter from Samarbetskommittéerna för textil- och konfektionsindustrierna (Co-operation committees of the textile- and clothing industries) to Handelsdepartementet (Ministry of Commerce) dated 1973-05-28.

65. See Suchman (1967), pp 33-37.

66. Kungl. Maj:t Prop. 1970:41, p 34.

67. Bassie (1968), pp 363-364.

68. Sometimes the term consumption subsidies is also used to mean a subsidy paid to consumers in relation to their consumption of a commodity; that is according to my notion a transfer. If it is paid to producers, it is to be considered as a production or sales subsidy.

69. Dam (1970), pp 141-145.

70. Usually a distinction is made between export subsidies levied on an ad valorem basis and those on a specific basis. A further distinction is made between subsidies paid in respect to export in general, and to export of certain goods only.

71. Meade (1955), pp 163-172.

72. For further details on these arguments, see Södersten (1969), pp 361-372.

73. For a more detailed illustration of the development of article XVI on subsidies, see Curzon (1965), p 119, Kock (1967), p 159, and Dam (1970), pp 132-140.

74. Corden (1968), pp 116-117.

75. An adequate example of such elaboration of the case for protection is the argument for an optimal tariff, which is to be interpreted as a tariff that maximizes the welfare in a country. For an example of this argument, see Scitovsky (1942), and de V. Graaff (1950).

76. An example of this type of study that elaborates the case for subsidies is Bhagwati & Ramaswami (1963).

77. Meade (1955), pp 165-172.

78. Currency retention and multiple exchange rates give the exporter a subsidy in direct relation to the value of his exportation. Different types of export credit support are to be looked upon as subsidies in relation to the volume of credit furnished by the seller to the buyer in export transactions. In view of the fact that the export sale of certain products usually presupposes that suitable credits can be arranged up to a certain fraction of the value, this form of export subsidy can also be looked upon as indirectly related to the volume of exportation. The practice of governments' refunding or exempting taxes on exported goods is, of course, also a subsidy paid in relation to the amount of exportation. The same is true about subsidies on inputs in a production of export goods.

79. A distinction between Strategic, Tactical or Administrative and Operative decisions has been used by many authors, e.g. Thompson (1967), and Ansoff (1969).

80. A similar classification of such decisions has also been made by Back in his analysis of cases; see Back (1973), p 41.

81. This assumption is supported by Mintzberg's findings that one decision-maker - the manager - "emerges as the key figure in the making and interrelating of all significant decisions in his organization, a process that can be referred to as strategy-making"; see Mintzberg (1970), p 23.

82. Back et al. (1970), p 28, have expressed a similar approach in their study concerning localization decisions of the firm. The role of such "commitments" in decision-making has been observed by Cyert & March (1963), pp 50-52, 78-79. The role of commitments in international investment decision-processes has been pointed out by Aharoni (1966).

83. Back et al. (1970), p 27, theorize that the activity undertaken as it can be registered by the observer, reflects the true decision in situations where the formal decision and the subsequent activity are not identical.

84. Many authors have identified classes of differences which may exist between markets in different countries and the implications these differences may have upon the export activities of the firm, e.g. Carlson (1966, 1974), Farmer & Richman (1966), Buzzel (1968), Moyer (1968), Miracle & Albaum (1970), Terpstra

(1972), and Robock & Simmonds (1973). The concept of psychic distance, as an expression for differences between domestic and foreign markets which might cause problems for a firm that is planning to collect information, has been elaborated by Hörnell et al. (1973).

85. Cf. Carlson (1974), p 58, who has pointed out that ventures of the firm into export operations probably will follow a learning curve.

86. For further discussion of the influence of these problems on the export-propensity of non-exporting firms, see Olson & Wiedersheim-Paul (1974).

87. The concept of export activities has been defined on p 32.

88. Cf. figure 7, p 31.

89. See e.g. Johanson (1966), pp 6:21-22; Behrman (1969), p 3; Forsgren & Kinch (1970), pp 183-184; Vaupel (1971), p 42; Hörnell & Vahlne (1972), p 108; Hörnell et al. (1973), pp 180-201; Johanson & Wiedersheim-Paul (1974); Johanson & Vahlne (1974).

90. Cf. Håkansson & Wootz (1975).

91. For discussions about this view of the firm's export activities as market investments which can be assumed to give future payoff, see e.g. Johanson (1972), p 81, and Engdahl (1973), p 60-65.

92. Hatry et al. (1973), p 61; Campbell (1969).

93. Weiss (1972a), pp 62-67; Campbell (1969).

94. For further details about the methodological problems connected with the experimental design, see Suchman (1967a), pp 94-100; Caro (1971), pp 23-25; Rivlin (1971), pp 108-119; Weiss (1972a). pp 60-62; Hatry et al. (1973), p 58. Several modifications in order to eliminate reactive effects on the part of the control group has been suggested; Hawthorne-effects for instance, can to some extent be eliminated by giving controls either an inert treatment (a "placebo"), or an actual treatment of minor importance and predictable effects. Although equalizing measures like these can cure methodological shortcomings, they do not abate the ethical objections.

95. Suchman (1967b), pp 348-349, has pointed out this problem. See also Hatry et al. (1973), p 61.

96. Hatry et al., op.cit., pp 47-55; Campbell (1969).

97. Suchman (1967a), pp 94-95, (1967b), pp 348-349; Caro (1971), pp 23-24; Weiss (1972a), pp 67-73; Hatry et al. (1973), pp 52-54.

98. For further discussion, see Weiss, op.cit., pp 69-72.

99. For further details about this analysis, see Olson (1974), pp 16-20.

100. Because 15 of the 72 applying firms submitted incomplete applications, only 57 such firms are included in the analysis.

101. SOS, Industri 1972 (Swedish Official Statistics, Enterprises 1972), pp 76, 270. The figure has been computed as the number of homogeneous firms in SNI-group 32 minus the firms in SNI 323. The total number of firms having some kind of textile and clothing production in addition to other production (heterogeneous firms) in 1972 was about 1 200.

102. In Olson & Wiedersheim-Paul (1974), pp 3-9, product characteristics and potential export markets are mentioned as some of several important explanatory factors for the firm's pre-export behavior. These are probably also important factors for explanations of firms' export behavior.

103. Hatry et al. (1973), pp 45-47; Weiss (1972a), p 68; Campbell (1969), pp 413-415.

104. This design has often been employed in a special case of evaluation - attempts to measure trade creation and trade diversion effects of customs unions on trade flows. See e.g. The Effects of EFTA (1969). An example of its misuse can be found in connection to the ESP. In evaluative judgments of an intuitive character concerning the ESP, made by a magazine for the textile and clothing industries, trend projections of total pre-program export sales were compared to total present after-program export sales. Although this was not a serious attempt to carry out evaluative research, it may be criticized on the grounds that the evaluative criteria are too loosely connected with the program measures, and that no consideration has been taken to other background factors which may affect the outcome. See Textil och Konfektion, 1974, No. 1, p 7.

105. Suchman (1967a), p 94; Campbell (1969), pp 211-213; Weiss (1972 pp 73-78; Hatry et al. (1973), pp 41-44.

106. The arguments and motives for a "multi-method approach" are further elaborated in Webb et al. (1966), ch 1.

107. Hatry et al. (1973), pp 62-66.

108. This is the total number of firms having a homogeneous production of textile and clothing goods. If we included in the population firms having a heterogeneous production, where goods from other branches are produced in combination with textiles and clothes, the number rises to more than 1 200. However, had it been possible to foresee what we now know, namely that the program has principally attracted already exporting firms, the number of firms considered for pre-program observation could have been reduced.

109. Suchman (1967a), p 94; Weiss (1972a), pp 75-78.

110. Such biases could decrease the subject validity of the study; see Suchman (1967a), pp 122-123.

111. Biases of this kind affect the observer or evaluator validity; see Suchman, ibid.

112. A comprehensive illustration of non-reactive measures in the social sciences is presented in Webb et al. (1966).

113. In his evaluation of the effects of investment funds, Eliasson (1965), has applied a similar procedure. When trying to map out the actual volume and time period of investment projects in firms, which have benefited from investment funds, he asked at the same time for the decision-makers' appraisal of the most probable volume and time period for realization of the project had no benefits from investment funds been available; ibid., pp 138-142.

114. Olson (1975b).

115. Olson (1975c).

116. This assumption seems to be well in accordance with the actual situation. Consequently, the EAS's have not reached those probably non-exporting firms which have lacked the ability to formulate plans in terms of products and markets for export activities. This conclusion has to some extent been illustrated in a comparison of the size distribution between applying and non-applying firms.

117. Olson (1975e).

118. Olson (1975d).

119. Personal communication with Mr. B. de Guigne, Compagnie Française d'Assurance pour le Commerce Extérieur (COFACE), Paris, December 18, 1974. For further information, see a pamphlet, "L'assurance-prospection - L'assurance-foire", published by COFACE.

REFERENCES

Aharoni, Y. (1966) The Foreign Investment Decision Process. Boston.

Ansoff, H.I. (1969) Toward A Strategic Theory of the Firm, in Ansoff, H.I. (ed.), (1969), Business Strategy. Harmondsworth.

Argyris, C. (1958) Creating Effective Relationships in Organizations, in Human Organization Research, Vol. 17, No. 1. Reprinted in Caro, F.G. (ed.), (1971), Readings in Evaluation Research. New York.

Back, R. (1973) Beslutskoordinering. Stockholm.

Back, R., Otterbeck, L. (1970) Lokalisering och ekonomisk strukturutveckling. Stockholm.

Bassie, V.L. (1968) Subsidies, in Sills, D.L. (ed.), (1968), International Encyclopedia of the Social Sciences, Vol. 15. New York.

Bateman, W. (1968) Assessing Program Effectiveness, Welfare in Review, Vol. 6, No. 1.

Behrman, J. (1969) Some Patterns in the Rise of the Multinational Enterprise. Chapel Hill.

Bhagwati, J., Ramaswami, V.K. (1963) Domestic Distortions, Tariffs, and the Theory of Optimum Subsidy, Journal of Political Economy, 1963.

Bolin, D., Lindqvist, L., Petrini, F. (1974) Faktorer som påverkar rationaliseringsprocessen i lantbruket. Report No. 32, Institutionen för Ekonomi och Statistik, Lantbrukshögskolan, Uppsala.

Bonini, C., Jaedicke, R., Wagner, H. (eds.), (1964), Management Controls - New Directions in Basic Research. New York.

Brooks, M. (1965) The Community Action Program as A Setting for Applied Research, Journal of Social Issues, No. 21, 1965. Reprinted in Caro, F.G. (ed.), (1971), Readings in Evaluation Research. New York.

Buchanan, G., Horst, P., Scanlon, J. (1973) Improving Federal Evaluation Planning, Evaluation, Vol. 1, No. 2.

Buckley, W. (1967) Sociology and Modern Systems Theory. Englewood Cliffs.

Buzzel, R. (1968) Can You Standardize Multinational Marketing? Harvard Business Review, November-December 1968.

Campbell, D.T. (1969) Reforms as Experiments, in American Psychologist, Vol. 24, 1969. Reprinted in Caro, F.G. (ed.), (1971), Readings in Evaluation Research. New York.

Carlson, S. (1966) International Business Research, Acta Universitatis Upsaliensis, Studia Oeconomiae Negotiorum, No. 1. Uppsala.

_____ (1974) International Transmission of Information and the Business Firm, in The Annals of the American Academy of Political and Social Science, Vol. 412, March 1974.

Caro, F.G. (ed.), (1971) Readings in Evaluation Research. New York.

Cherns, A. (1969) Social Research and its Diffusion, in Human Relations, Vol. 22, 1969. Reprinted in Caro, F.G. (ed.), (1971), Readings in Evaluation Research. New York.

Churchman, C.W. (1968) The Systems Approach. New York.

Clark, P.A. (1972) Action Research and Organizational Change. London.

Corden, W.M. (1968) International Trade Controls: Tariffs and Protectionism, in Sills, D.L. (ed.), (1968), International Encyclopedia of the Social Sciences, Vol. 8. New York.

Curzon, G. (1965) Multilateral Commercial Diplomacy. London

Cyert, R.M., March, J.G. (1963) A Behavioral Theory of the Firm. Englewood Cliffs.

Dam, K.W. (1970) The GATT - Law and International Economic Organization. Chicago.

Danielsson, A. (1963) On Measurement and Analysis of Standard Costs. Stockholm.

The Effects of EFTA on the Economies of Member States (1969), published by the EFTA Secretariat. Geneva.

Eliasson, G. (1965) Investment Funds in Operation. National Institute of Economic Research. Stockholm.

Engdahl, C-A. (1970) Exportsamverkan. Lund.

Enslöf, L. (1971) Småföretagens marknadsstrategier, in Ramström, D. (ed.), (1971), Mindre företag - problem och villkor. Lund.

Farmer, R.N., Richman, B.M. (1966) International Business: An Operational Theory. Homewood.

Forsgren, M., Johanson, J. (1975) Internationell Företagsekonomi. Stockholm.

Forsgren, M., Kinch, N. (1970) Företagets anpassning till förändringar i omgivande system. En studie av massa- och pappersindustrin, Acta Universitatis Upsaliensis, Studia Oeconomiae Negotiorum, No. 2. Uppsala.

Glaser, B.G., Strauss, A.L. (1967) The Discovery of Grounded Theory - Strategies for Qualitative Research. Chicago.

de V. Graaff, J. (1949) On Optimum Tariff Structures, Review of Economic Studies, 1949-50.

Greenberg, B.G. (1968) Evaluation of Social Programs, Review of the International Statistical Institute, No. 36, 1968. Reprinted in Caro, F.G. (ed.), (1971), Readings in Evaluation Research. New York.

Hatry, H.P. (1972) Issues in Productivity Measurement for Local Governments, Public Administrative Review, Vol. XXXII, No. 6.

Hatry, H.P., Winnie, R.E., Fisk, D.M. (1973) Practical Program Evaluation for State and Local Government Officials. The Urban Institute, Washington.

Hyman, H., Wright, C.R. (1967) Evaluating Social Action Programs, in Lazarsfeld, P., Sewell, W., Wilensky, H. (eds.), (1967), Uses of Sociology. New York. Reprinted in Caro, F.G. (ed.), (1971), Readings in Evaluation Research. New York.

Hyrenius, H., Sjögerås, I. (1974) De mindre industriföretagens exportbeteende. Växjö.

Håkansson, H., Wootz, B. (1975) Changes in the Propensity to Import - An Interaction Model on the Firm Level. Research Report 1975:2, Department of Business Administration, University of Uppsala.

Hörnell, E., Vahlne, J-E., Wiedersheim-Paul, F. (1973) Export och utlandsetableringar. Uppsala.

Hörnell, E., Vahlne, J-E. (1972) Information vid etableringsbeslut, in Johanson, J. (ed.), (1972), Exportstrategiska problem. Stockholm.

Johanson, J. (1966) Svenskt kvalitetsstål på utländska marknader. Mimeographed licentiate thesis, Department of Business Administration, University of Uppsala.

_____ (ed.), (1972) Exportstrategiska problem. Stockholm.

Johanson, J., Vahlne, J-E. (1974) The Internationalization Process of the Firm. Working Paper, Department of Business Administration, University of Uppsala.

Johanson, J., Wiedersheim-Paul, F. (1974) The Internationalization of the Firm - Four Swedish Cases. Research report, Department of Business Administration, University of Uppsala. Forthcoming in Journall of Management Studies, Spring 1976.

Johnson, H.G. (1968) International Trade Theory, in Sills, D.L. (ed.), (1968), International Encyclopedia of the Social Sciences, Vol. 8. New York.

Johnson, R.A., Kast, F.E., Rosenzweig, J.E. (1963) The Theory and Management of Systems. New York.

Keegan, W.J. (1974) Multinational Marketing Management. Englewood Cliffs.

Kock, K. (1969) International Trade Policy and the GATT 1947-67, Acta Universitatis Stockholmiensis, No. XI. Stockholm.

Kotler, P. (1973) Marketing Management. Englewood Cliffs.

Mann, J. (1969) Evaluating Educational Programs, in The Urban Review, Vol. 3, No. 4, 1969.

Meade, J.E. (1955) Trade and Welfare. London.

Mintzberg, H. (1970) Managerial Work. Analysis from Observation. Working Report, Faculty of Management, McGill University, October 1970.

Miracle, G.E., Albaum, G.S. (1970) International Marketing Management. Homewood.

Moyer, R. (1968) International Market Analysis, Journal of Marketing Research, Vol. V, November 1968.

Olson, H.C. (1974) Sammanfattande delrapport från utvärdering av statliga exportstimulansåtgärder inom TEKO-industrin (Preliminary report from Evaluations of Government Export Stimulation Measures for the Textile and Clothing Industries). Mimeographed report, Department of Business Administration, University of Uppsala.

_____ (1975b) Exportaktivitetsbidrag och exportbeteende - En utvärdering av exportaktivitetsbidragens ekonomiska betydelse för TEKO-företags genomförande av exportprojekt (Export Activity Subsidies and Export Behavior - An Evaluation of the Economic Role of Export Activity Subsidies for the Realization of Export Projects among Textile and Clothing Firms). Research Report 1975:3, Department of Business Administration, University of Uppsala.

_____ (1975c) Exportstimulans och exportbeteende - Betydelsen av variationer i exporterfarenhet för exportstimulerande åtgärders verkan (Export Stimulation and Export Behavior - Varying Degree of Export Experience and its Significance for Export Stimulation Measures). Research Report 1975:4, Department of Business Administration, University of Uppsala.

_____ (1975d) Kollektiva uppackningar som exportstimulerande åtgärd - En utvärdering av kollektiva uppackningars betydelse för TEKO-företags exportbeteende (Collective Exhibitions as An Export Stimulation Measure - An Evaluation of Collective Exhibitions and their Influence upon the Export Behavior of Textile and Clothing Firms). Research Report 1975:5, Department of Business Administration, University of Uppsala.

_____ (1975e) Informationsinsamling för export - En utvärdering av kollektiva marknadsundersökningars betydelse för TEKO-företags exportbeteende (Information Collection for Export - An Evaluation of Collective Market Investigations and their Influence upon the Export Behavior of Textile and Clothing Firms). Research Report 1975:6, Department of Business Administration, University of Uppsala.

Olson, H.C., Wiedersheim-Paul, F. (1974) The Export-Propensity of Non-Exporting Firms. Working Report, Department of Business Administration, University of Uppsala.

Ramström, D. (1967) The Efficiency of Control Strategies. Uppsala.

Rivlin, A.M. (1971) Systematic Thinking for Social Action. The Brookings Institution, Washington.

Robock, S.H., Simmonds, K. (1973) International Business and Multinational Enterprises. Homewood.

Rodman, H., Kolodny, R. (1964) Organizational Strains in the Researcher-Practitioner Relationship, in Human Organization, Vol. 23, 1964. Reprinted in Gouldner, A., Miller, S.M. (ed.), (1965), Applied Sociology. New York.

Rossi, P.H. (1969) Evaluating Educational Programs, Urban Review, Vol. 3, No. 4, February 1969. Reprinted in Caro, F.G. (ed.), (1971), Readings in Evaluation Research. New York.

Schulberg, H.C., Baker, F. (1968) Program Evaluation Models and the Implementation of Research Findings, American Journal of Public Health, Vol. 58, No. 7, July 1968. Reprinted in Caro, F.G. (ed.), (1971), Readings in Evaluation Research. New York.

Scitovsky, T. (1942) A Reconsideration of the Theory of Tariffs, Review of Economic Studies, 1942.

Scriven, M. (1967) The Methodology of Evaluation, in Perspectives of Curriculum Evaluation. American Educational Research Association Monograph Series on Curriculum Evaluation. Chicago.

SOU 1970:59-60 TEKO-industrierna inför 1970-talet. Stockholm.

SOU 1974:29 Att utvärdera arbetsmarknadspolitik. Betänkande avgivet av expertgruppen för utredningsverksamhet i arbetsmarknadsfrågor (EFA). Stockholm.

SOU 1974:102 Svensk Press - Presstödet och tidningskonkurrensen. Stockholm.

Stevrin, P. (1974) Samhällsstyrning. Stockholm.

Suchman, E.A. (1967) Evaluative Research. Russel Sage Foundation. New York.

_____ (1969) Evaluating Educational Programs, Urban Review, Vol. 3, No. 4, February 1969. Reprinted in Caro, F.G. (ed.), (1971), Readings in Evaluation Research. New York.

Södersten, B. (1969) Internationell ekonomi. Stockholm.

TEKO-utredningen (1969) Förslag om upphandling, export och utbildning på TEKO-området. Mimeographed Report, I-stencil 1968:6, Ministry of Industry, Stockholm.

Terpstra, V. (1972) International Marketing. New York.

Thompson, J.D. (1967) Organizations in Action. New York.

Vaupel, J.V. (1971) Characteristics and Motivations of the US Corporations that Manufacture Abroad. Mimeographed Research Report.

Webb, E.J. et al. (1966) Unobtrusive Measures - Non-Reactive Research in the Social Sciences. Chicago.

Weiss, C.H. (1966) Utilization of Evaluation: Toward Comparative Study, in The Use of Social Research in Federal Domestic Programs, Part III (1967), US Government Printing Office. Washington. Reprinted in Caro, F.G. (ed.), (1971), Readings in Evaluation Research. New York.

_____ (1972a) Evaluation Research - Methods of Assessing Program Effectiveness. Englewood Cliffs.

_____ (ed.), (1972b) Evaluating Action Programs: Readings in Social Action and Education. Boston.

Wholey, J.S. (1972) What Can We Actually Get From Program Evaluation, in Policy Sciences No. 3, 1972. Amsterdam.

Wholey, J.S. et al. (1970) Federal Evaluation Policy. The Urban Institute. Washington.

Wind, Y. (1968) Cross Cultural Analysis of Consumer Behaviour, in Grub, P.D., Kaskimies, M. (ed.), (1971), International Marketing in Perspective. Helsingfors.

Viner, J. (1965) The Customs Union Issue. London.

Östberg, C. (1972) Exportsamverkan, in Johanson. J. (ed.), (1972), Exportstrategiska problem. Stockholm.

ACTA UNIVERSITATIS UPSALIENSIS

Studia Oeconomiae Negotiorum

Editor: Sune Carlson

1. Sune Carlson: International Business Research. 1966.

2. Mats Forsgren & Nils Kinch: Företagets anpassning till förändringar i omgivande system. En studie av massa- och pappersindustrin. 1970.

3. John Skår: Produksjon og produktivitet i detaljhandelen. En studie i teori, problem og metode. 1971.

4. Anders Mattsson: Dumping och antidumpingåtgärder. 1972.

5. Anders Mattsson: The Effects of Trade Barriers on the Export Firm. 1972

6. Erik Hörnell & Jan-Erik Vahlne: The Deciding Factors in the Choice of a Subsidiary Sales Company as the Channel for Exports. 1972.

7. Finn Wiedersheim-Paul: Uncertainty and Economic Distance. Studies in International Business. 1972.

8. Björn Wootz: Studies in Industrial Purchasing with special reference to Variations in External Communication. 1975.

9. Håkan Håkansson: Studies in Industrial Purchasing with special reference to Determinants of Communication Patterns. 1975.

10. Hans Christer Olson: Studies in Export Promotion. Attempts to Evaluate Export Stimulation Measures for the Swedish Textile and Clothing Industries. 1975.

Uppsala Offset Center ab 1975 ISBN 91-554-0284-4